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THE WHITE HOUSE
WASHINGTON

January 26, 1942.

MEMORANDUM FOR

BILL DONOVAN

Take up with the Attorney
General the McKellar-Summers' Bill
and help the Attorney General to
get it straightened out.

F. D. R.

PSF: OFFICE OF STRATEGIC SERVICES

1942

Donovan Report

No. 5

January 26 to February 11

No. 187

January 26, 1942
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I feel that I should call to your attention that the British Intelligence people with whom we are in contact are quite disturbed over the so-called McKellar Bill and its companion bill in the House (a copy of which I attach). I understand this Bill has passed both Houses of Congress in slightly different forms and is now in conference.

The following statements have been made to us by members of the British Service:

"If our reading of the Bill is correct, the future working in the United States of our office, in both its branches, will become impossible.

"Our files would presumably become a matter of 'public record' and the exemption of registration could be held as inapplicable to members of our personnel as being 'publicity agents' and 'information service employees.'

"Although the Bill at first sight appears to be directed against dissemination of propaganda only, its enactment in its present form would appear to preclude activity of any Intelligence or S.O. service in this country.

"Section 8(D) prohibits any activity in South American countries, if these activities are not agreeable to the respective Governments of such countries.

"It is true that we did not register under the old Act, and we may not be compelled to register under this one, but, in view of the terms of the Act, it cannot be assumed that it is intended to restrict propaganda activities only."

With certain minor amendments, the objectionable provisions might be avoided. For instance, there might be an exemption of foreign officers or agencies who are engaged in the furnishing of information to our government. It seems that some distinction should be made between agencies furnishing information to the Government and those supplying the public. The particular agency of the British involved furnishes information only to the Government in a highly confidential way, and does not furnish or attempt to furnish

any information to the public. This agency is not engaged in gathering information about the United States, but simply supplies this Government with information about other countries. Thus, their service is of direct benefit to us.

This Bill in its present form, if strictly interpreted, would seem to apply to this situation.

rec 1 (d)
rec 3 (b)
" " (c)

Union Calendar No. 530

77TH CONGRESS
1ST SESSION

H. R. 6269

[Report No. 1547]

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 1941

Mr. SUMNERS of Texas introduced the following bill; which was referred to the Committee on the Judiciary

DECEMBER 18, 1941

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To amend the Act entitled "An Act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes", approved June 8, 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Act of June 8, 1938 (52 Stat. 631, U. S. C., title
4 22, sec. 233 (a) to sec. 233 (g)), entitled "An Act to

5 require the registration of certain persons employed by agen-

6 cies to disseminate propaganda in the United States, and

7 for other purposes", as amended, is hereby amended to read

8 as follows:

1 "POLICY AND PURPOSE

2 "It is hereby declared to be the policy and purpose
3 of this Act to protect the national defense, internal secu-
4 rity, and foreign relations of the United States by requir-
5 ing public disclosure by persons engaging in propaganda
6 activities and other activities for or on behalf of foreign
7 governments, foreign political parties, and other foreign
8 principals so that the Government and the people of the
9 United States may be informed of the identity of such
10 persons and may appraise their statements and actions in
11 the light of their associations and activities.

12 "DEFINITIONS

13 "SECTION 1. As used in and for the purposes of this
14 Act—

15 "(a) The term 'person' includes an individual, partner-
16 ship, association, corporation, organization, or any other com-
17 bination of individuals;

18 "(b) The term 'foreign principal' includes—

19 "(1) a government of a foreign country and a
20 foreign political party;

21 "(2) an individual affiliated or associated with, or
22 supervised, directed, controlled, financed, or subsidized,
23 in whole or in part, by any foreign principal defined in
24 clause (1) of this section 1 (b) ;

25 "(3) a person outside of the United States, unless

1 it is established that such person is an individual and is
2 a citizen of and domiciled within the United States or
3 that such person is not an individual, is organized under
4 or created by the laws of the United States or of any
5 State or other place subject to the jurisdiction of the
6 United States, and has its principal place of business
7 within the United States. Nothing in this clause (3)
8 shall limit the operation of clause (5) of this section
9 1 (b) ;

10 “(4) a partnership, association, corporation, organ-
11 ization, or other combination of individuals organized
12 under the laws of, or having its principal place of business
13 in, a foreign country ;

14 “(5) a domestic partnership, association, corpora-
15 tion, organization, or other combination of individuals,
16 subsidized directly or indirectly, in whole or in part, by
17 any foreign principal defined in clause (1), (3), or (4)
18 of this section 1 (b) ;

19 “(c) Except as provided in section 1 (d) hereof, the
20 term ‘agent of a foreign principal’ includes—

21 “(1) any person who acts or agrees to act, within
22 the United States, as, or who is or holds himself out to be
23 whether or not pursuant to contractual relationship, a
24 public-relations counsel, publicity agent, information-

1 service employee, servant, agent, representative, or at-
2 torney for a foreign principal;

3 “(2) any person who within the United States
4 collects information for or reports information to a foreign
5 principal; who within the United States solicits or accepts
6 compensation, contributions, or loans, directly or indi-
7 rectly, from a foreign principal; who within the United
8 States solicits, disburses, dispenses, or collects compensa-
9 tion, contributions, loans, money, or anything of value,
10 directly or indirectly, for a foreign principal; who within
11 the United States acts at the order, request, or under the
12 direction, of a foreign principal;

13 “(3) any person who assumes or purports to act
14 within the United States as an agent of a foreign prin-
15 cipal in any of the respects set forth in clauses (1) and
16 (2) of this section 1 (c); and

17 “(4) any person who is an officer or member of the
18 active or reserve military, naval, or other armed forces
19 of any foreign principal defined in clause (1) of section
20 1 (b) hereof, or who is an officer of or employed by any
21 such foreign principal; and proof of any affiliation or
22 employment, specified in this clause (4), of any person
23 within a period of five years previous to the effective
24 date of this Act shall create a rebuttable presumption
25 that such person is an agent of a foreign principal;

1 “(d) The term ‘agent of a foreign principal’ does not
2 include any news or press service or association organized
3 under the laws of the United States or of any State or other
4 place subject to the jurisdiction of the United States, or any
5 newspaper, magazine, periodical, or other publication for
6 which there is on file with the Postmaster General a sworn
7 statement in compliance with section 2 of the Act of August
8 24, 1912 (37 Stat. 553), as amended, published in the
9 United States, solely by virtue of any bona fide news or
10 journalistic activities, including the solicitation or acceptance
11 of advertisements, subscriptions, or other compensation there-
12 for, so long as it is at least 80 per centum beneficially owned
13 by, and its officers and directors, if any, are citizens of the
14 United States, and such news or press service or association,
15 newspaper, magazine, periodical, or other publication, is
16 not owned, directed, supervised, controlled, subsidized, or
17 financed, and none of its policies are determined by any
18 foreign principal defined in clause (1), (2), or (4) of
19 section 1 (b) hereof, or by any agent of a foreign principal
20 required to register under this Act;

21 “(e) The term ‘government of a foreign country’ in-
22 cludes any person or group of persons exercising sovereign
23 de facto or de jure political jurisdiction over any country,
24 other than the United States, or over any part of such
25 country, and includes any subdivision of any such group

1 and any group or agency to which such sovereign de facto
2 or de jure authority or functions are directly or indirectly
3 delegated. Such term shall include any faction or body of
4 insurgents within a country assuming to exercise govern-
5 mental authority whether such faction or body of insurgents
6 has or has not been recognized by the United States;

7 “(f) The term ‘foreign political party’ includes any
8 organization or any other combination of individuals in a
9 country other than the United States, or any unit or branch
10 thereof, having for an aim or purpose, or which is engaged
11 in any activity devoted in whole or in part to, the estab-
12 lishment, administration, control, or acquisition of adminis-
13 tration or control, of a government of a foreign country or
14 a subdivision thereof, or the furtherance or influencing of
15 the political or public interests, policies, or relations of a
16 government of a foreign country or a subdivision thereof;

17 “(g) The term ‘public-relations counsel’ includes any
18 person who engages directly or indirectly in informing, ad-
19 vising, or in any way representing a principal in any matter
20 pertaining to political or public interests, policies, or relations;

21 “(h) The term ‘publicity agent’ includes any person
22 who engages directly or indirectly in the publication or
23 dissemination of oral, visual, graphic, written, or pictorial
24 information or matter of any kind, including publication by

1 means of advertising, books, periodicals, newspapers, lec-
2 tures, broadcasts, motion pictures, or otherwise;

3 “(i) The term ‘information-service employee’ includes
4 any person who is engaged in furnishing, disseminating, or
5 publishing accounts, descriptions, information, or data with
6 respect to the political, industrial, employment, economic,
7 social, cultural, or other benefits, advantages, facts, or con-
8 ditions of any country other than the United States or of
9 any government of a foreign country or of a foreign political
10 party or of a partnership, association, corporation, organiza-
11 tion, or other combination of individuals organized under the
12 laws of, or having its principal place of business in, a foreign
13 country;

14 “(j) The term ‘political propaganda’ includes any oral,
15 visual, graphic, written, pictorial, or other communication or
16 expression by any person (1) which is reasonably adapted
17 to, or which the person disseminating the same believes will,
18 or which he intends to, prevail upon, indoctrinate, convert,
19 induce, or in any other way influence a recipient or any
20 section of the public within the United States with reference
21 to the political or public interests, policies, or relations of a
22 government of a foreign country or a foreign political party
23 or with reference to the foreign policies of the United States
24 or promote in the United States racial, religious, or social

1 dissensions, or (2) which advocates, advises, instigates, or
2 promotes any racial, social, political, or religious disorder,
3 civil riot, or other conflict involving the use of force or
4 violence in any other American republic or the overthrow of
5 any government or political subdivision of any other Amer-
6 ican republic by any means involving the use of force or
7 violence. As used in this section 1 (j) the term 'disseminat-
8 ing' includes transmitting or causing to be transmitted in the
9 United States mails or by any means or instrumentality of
10 interstate or foreign commerce or offering or causing to be
11 offered in the United States mails;

12 " (k) The term 'registration statement' means the regis-
13 tration statement required to be filed with the Attorney
14 General under section 2 (a) hereof, and any supplements
15 thereto required to be filed under section 2 (b) hereof, and
16 includes all documents and papers required to be filed there-
17 with or amendatory thereof or supplemental thereto, whether
18 attached thereto or incorporated therein by reference;

19 " (l) The term 'American republic' includes any of the
20 states which were signatory to the Final Act of the Second
21 Meeting of the Ministers of Foreign Affairs of the American
22 Republics at Habana, Cuba, July 30, 1940;

23 " (m) The term 'United States', when used in a geo-
24 graphical sense, includes the several States, the District of
25 Columbia, the Territories, the Canal Zone, the insular pos-

1 sessions, including the Philippine Islands, and all other places
 2 now or hereafter subject to the civil or military jurisdiction
 3 of the United States;

4 “(n) The term ‘prints’ means newspapers and periodicals,
 5 cal, books, pamphlets, sheet music, visiting cards, address
 6 cards, printing proofs, engravings, photographs, pictures,
 7 drawings, plans, maps, patterns to be cut out, catalogs, pro-
 8 spectuses, advertisements, and printed, engraved, litho-
 9 graphed, or autographed notices of various kinds, and, in
 10 general, all impressions or reproductions obtained on paper
 11 or other material assimilable to paper, on parchment or on
 12 cardboard, by means of printing, engraving, lithography,
 13 autography, or any other easily recognizable mechanical
 14 process, with the exception of the copying press, stamps with
 15 movable or immovable type, and the typewriter.

16 “REGISTRATION (c)”

17 “SEC. 2. (a) No person shall act as an agent of a
 18 foreign principal unless he has filed with the Attorney Gen-
 19 eral a true and complete registration statement and supple-
 20 ments thereto as required by this section 2 (a) and section
 21 2 (b) hereof or unless he is exempt from registration under
 22 the provisions of this Act. Except as hereinafter provided,
 23 every person who is an agent of a foreign principal on the
 24 effective date of this Act shall, within ten days thereafter,
 25 and every person who becomes an agent of a foreign prin-

1 cipal after the effective date of this Act shall, within ten
2 days thereafter, file with the Attorney General, in duplicate,
3 a registration statement, under oath, on a form prescribed
4 by the Attorney General, of which one copy shall be trans-
5 mitted promptly by the Attorney General to the Secretary
6 of State for such comment, if any, as the Secretary of State
7 may desire to make from the point of view of the foreign
8 relations of the United States. Failure of the Attorney
9 General so to transmit such copy shall not be a bar to prose-
10 cution under this Act. The registration statement shall
11 include the following, which shall be regarded as material
12 for the purposes of this Act:

13 " (1) Registrant's name, principal business address,
14 and all other business addresses in the United States or
15 elsewhere, and all residence addresses, if any;

16 " (2) Status of the registrant; if an individual, na-
17 tionality; if a partnership, name, residence addresses, and
18 nationality of each partner and a true and complete copy
19 of its articles of copartnership; if an association, corpo-
20 ration, organization, or any other combination of indi-
21 viduals, the name, residence addresses, and nationality of
22 each director and officer and of each person performing
23 the functions of a director or officer and a true and
24 complete copy of its charter, articles of incorporation,
25 association, constitution, and bylaws, and amendments

1 thereto; a copy of every other instrument or document
2 and a statement of the terms and conditions of every oral
3 agreement relating to its organization, powers, and pur-
4 poses; and a statement of its ownership and control;

5 “(3) A comprehensive statement of the nature of
6 registrant's business; a complete list of registrant's em-
7 ployees and a statement of the nature of the work of each,
8 unless, and to the extent, this requirement is waived in
9 writing by the Attorney General; the name and address
10 of every foreign principal for whom the registrant is
11 acting, assuming or purporting to act or has agreed to
12 act; the character of the business or other activities of
13 every such foreign principal, and, if any such foreign
14 principal be other than a natural person, a statement of
15 the ownership and control of each; and the extent, if
16 any, to which each such foreign principal is supervised,
17 directed, owned, controlled, financed, or subsidized, in
18 whole or in part, by any government of a foreign coun-
19 try or foreign political party;

20 “(4) Copies of each written agreement and the
21 terms and conditions of each oral agreement, including
22 all modifications of such agreements, or, where no con-
23 tract exists, a full statement of all the circumstances, by
24 reason of which the registrant is an agent of a foreign
25 principal; a comprehensive statement of the nature and

1 method of performance of each such contract, and of the
2 existing and proposed activity or activities engaged in or
3 to be engaged in by the registrant as agent of a foreign
4 principal for each such foreign principal;

5 “(5) The nature and amount of contributions, in-
6 come, money, or thing of value, if any, that the regis-
7 trant has received within the preceding sixty days from
8 each such foreign principal, either as compensation or
9 for disbursement or otherwise, and the form and time of
10 each such payment and from whom received;

11 “(6) A detailed statement of every activity which
12 the registrant is performing or is assuming or purporting
13 or has agreed to perform for himself or any other person
14 other than a foreign principal and which requires his
15 registration hereunder;

16 “(7) The name, business, and residence addresses,
17 and, if an individual, the nationality, of any person who
18 has within the preceding sixty days contributed or paid
19 money or anything of value to the registrant in connec-
20 tion with any of the activities referred to in clause (6)
21 of this section 2 (a) and the amount or value of the
22 same;

23 “(8) A detailed statement of the money and other
24 things of value spent or disposed of by the registrant
25 during the preceding sixty days in furtherance of or

1 in any way in connection with activities which require
2 his registration hereunder and which have been under-
3 taken by him either as an agent of a foreign principal
4 or for himself or any other person;

5 “(9) Copies of each written agreement and the
6 terms and conditions of each oral agreement, including
7 all modifications of such agreements, or, where no con-
8 tract exists, a full statement of all the circumstances,
9 by reason of which the registrant is performing or
10 assuming or purporting or has agreed to perform for
11 himself or for a foreign principal or for any person other
12 than a foreign principal any activities which require
13 his registration hereunder;

14 “(10) Such other statements, information, or docu-
15 ments pertinent to the purposes of this Act as the
16 Attorney General, having due regard for the national
17 security and the public interest, may from time to time
18 require;

19 “(11) Such further statements and such further
20 copies of documents as are necessary to make the state-
21 ments made in the registration statement and supple-
22 ments thereto, and the copies of documents furnished
23 therewith, not misleading.

24 “(b) Every agent of a foreign principal who has filed
25 a registration statement required by section 2 (a) hereof

1 shall, within thirty days after the expiration of each period
2 of six months succeeding such filing, file with the Attorney
3 General a supplement thereto under oath, on a form pre-
4 scribed by the Attorney General, which shall set forth with
5 respect to such preceding six months' period such facts as the
6 Attorney General, having due regard for the national secu-
7 rity and the public interest, may deem necessary to make the
8 information required under section 2 hereof accurate, com-
9 plete, and current with respect to such period. In connec-
10 tion with the information furnished under clauses (3), (4),
11 (6), and (9) of section 2 (a) hereof, the registrant shall
12 give notice to the Attorney General of any changes therein
13 within ten days after such changes occur. If the Attorney
14 General, having due regard for the national security and the
15 public interest, determines that it is necessary to carry out
16 the purposes of this Act, he may, in any particular case,
17 require supplements to the registration statement to be filed
18 at more frequent intervals in respect to all or particular
19 items of information to be furnished.

20 “(c) The registration statement and supplements thereto
21 shall be executed under oath as follows: If the registrant is
22 an individual, by him; if the registrant is a partnership, by a
23 majority of the members thereof; if the registrant is a person
24 other than an individual or a partnership, by a majority of
25 the officers thereof or persons performing the functions of

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1 officers or by a majority of the board of directors thereof or
2 persons performing the functions of directors, if any.

3 “(d) The fact that a registration statement or supple-
4 ment thereto has been filed shall not necessarily be deemed
5 a full compliance with this Act and the regulations there-
6 under on the part of the registrant; nor shall it indicate that
7 the Attorney General has in any way passed upon the merits
8 of such registration statement or supplement thereto; nor
9 shall it preclude prosecution, as provided for in this Act,
10 for willful failure to file a registration statement or supple-
11 ment thereto when due or for a willful false statement of
12 a material fact therein or the willful omission of a material
13 fact required to be stated therein or the willful omission of
14 a material fact or copy of a material document necessary
15 to make the statements made in a registration statement and
16 supplements thereto, and the copies of documents furnished
17 therewith, not misleading.

18 “(e) If any agent of a foreign principal, required to
19 register under the provisions of this Act, has previously
20 thereto registered with the Attorney General under the pro-
21 visions of the Act of October 17, 1940 (54 Stat. 1201),
22 the Attorney General, in order to eliminate inappropriate
23 duplication, may permit the incorporation by reference in
24 the registration statement or supplements thereto filed here-
25 under of any information or documents previously filed by

1 such agent of a foreign principal under the provisions of the
2 Act of October 17, 1940 (54 Stat. 1201).

3 "EXEMPTIONS

4 "SEC. 3. The requirements of section 2 (a) hereof shall
5 not apply to the following agents of foreign principals:

6 "(a) A duly accredited diplomatic or consular officer of
7 a foreign government who is so recognized by the Depart-
8 ment of State, while said officer is engaged exclusively in
9 activities which are recognized by the Department of State
10 as being within the scope of the functions of such officer;

11 "(b) Any official of a foreign government, if such gov-
12 ernment is recognized by the United States, who is not a
13 public-relations counsel, publicity agent, information-service
14 employee, or a citizen of the United States, whose name and
15 status and the character of whose duties as such official are
16 of public record in the Department of State, while said official
17 is engaged exclusively in activities which are recognized by
18 the Department of State as being within the scope of the
19 functions of such official;

20 "(c) Any member of the staff of, or any person em-
21 ployed by, a duly accredited diplomatic or consular officer
22 of a foreign government who is so recognized by the Depart-
23 ment of State, other than a public-relations counsel, publicity
24 agent, or information-service employee, whose name and
25 status and the character of whose duties as such member or

1 employee are of public record in the Department of State,
2 while said member or employee is engaged exclusively in the
3 performance of activities which are recognized by the De-
4 partment of State as being within the scope of the functions
5 of such member or employee;

6 “(d) Any person engaging or agreeing to engage only
7 in private, nonpolitical, financial, mercantile, or other ac-
8 tivities in furtherance of the bona fide trade or commerce of
9 such foreign principal or in the soliciting or collecting of funds
10 and contributions within the United States to be used only
11 for medical aid and assistance, or for food and clothing to
12 relieve human suffering, if such solicitation or collection of
13 funds and contributions is in accordance with and subject to
14 the provisions of the Act of November 4, 1939, as amended
15 (54 Stat. 48), and such rules and regulations as may be
16 prescribed thereunder;

17 “(e) Any person engaging or agreeing to engage only
18 in activities in furtherance of bona fide religious, scholastic,
19 academic, or scientific pursuits or of the fine arts.

20 “FILING AND LABELING OF POLITICAL PROPAGANDA

21 “SEC. 4. (a) Every person within the United States
22 who is an agent of a foreign principal and required to register
23 under the provisions of this Act and who transmits or causes
24 to be transmitted in the United States mails or by any means
25 or instrumentality of interstate or foreign commerce any

1 political propaganda (i) in the form of prints, or (ii) in
2 any other form which is reasonably adapted to being, or
3 which he believes will be, or which he intends to be, dissemi-
4 nated or circulated among two or more persons shall, not
5 later than forty-eight hours after the beginning of the trans-
6 mittal thereof, send to the Librarian of Congress two copies
7 thereof and file with the Attorney General one copy thereof
8 and a statement, duly signed by or on behalf of such agent,
9 setting forth full information as to the places, times and
10 extent of such transmittal.

11 “(b) It shall be unlawful for any person within the
12 United States who is an agent of a foreign principal and
13 required to register under the provisions of this Act to
14 transmit or cause to be transmitted in the United States
15 mails or by any means or instrumentality of interstate or
16 foreign commerce any political propaganda (i) in the form
17 of prints, or (ii) in any other form which is reasonably
18 adapted to being, or which he believes will be, or which
19 he intends to be, disseminated or circulated among two or
20 more persons, unless such political propaganda is conspicu-
21 ously marked at its beginning with, or prefaced or accom-
22 panied by, a true and accurate statement, in the language
23 or languages used in such political propaganda, setting forth
24 that, the person transmitting such political propaganda or
25 causing it to be transmitted is registered under this Act

1 with the Department of Justice, Washington, District of
2 Columbia, as an agent of a foreign principal, together with
3 the name and address of such agent of a foreign principal
4 and of each of his foreign principals; that, as required by
5 this Act, his registration statement is available for inspection
6 at and copies of such political propaganda are being filed
7 with the Department of Justice; and that registration of
8 agents of foreign principals required by the Act does not
9 indicate approval by the United States Government of the
10 contents of their political propaganda. The Attorney Gen-
11 eral, having due regard for the national security and the
12 public interest, may by regulation prescribe the language
13 or languages and the manner and form in which such state-
14 ment shall be made and require the inclusion of such other
15 information contained in the registration statement identi-
16 fying such agent of a foreign principal and such political
17 propaganda and its sources as may be appropriate.

18 “(c) The copies of political propaganda required by this
19 Act to be sent to the Librarian of Congress shall be available
20 for public inspection under such regulations as he may pre-
21 scribe.

22 “(d) For purposes of the Library of Congress, other
23 than for public distribution, the Secretary of the Treasury
24 and the Postmaster General are authorized, upon the request
25 of the Librarian of Congress, to forward to the Library of

1 Congress fifty copies, or as many fewer thereof as are avail-
2 able, of all foreign prints determined to be prohibited entry
3 under the provisions of section 305 of title III of the Act of
4 June 17, 1930 (46 Stat. 688), and of all foreign prints ex-
5 cluded from the mails under authority of section 1 of title
6 XII of the Act of June 15, 1917 (40 Stat. 230).

7 "Notwithstanding the provisions of section 305 of title
8 III of the Act of June 17, 1930 (46 Stat. 688), and of sec-
9 tion 1 of title XII of the Act of June 15, 1917 (40 Stat.
10 230), the Secretary of the Treasury is authorized to permit
11 the entry and the Postmaster General is authorized to permit
12 the transmittal in the mails of foreign prints imported for
13 governmental purposes by authority or for the use of the
14 United States or for the use of the Library of Congress.

15 "BOOKS AND RECORDS

16 "SEC. 5. Every agent of a foreign principal registered
17 under this Act shall keep and preserve while he is an agent
18 of a foreign principal such books of account and other records
19 with respect to all his activities, the disclosure of which is
20 required under the provisions of this Act, as the Attorney
21 General, having due regard for the national security and the
22 public interest, may by regulation prescribe as necessary or
23 appropriate for the enforcement of the provisions of this Act
24 and shall preserve the same for a period of three years follow-
25 ing the termination of such status. Until regulations are in

1 effect under this section every agent of a foreign principal
2 shall keep books of account and shall preserve all written
3 records with respect to his activities. Such books and rec-
4 ords shall be open at all reasonable times to the inspection of
5 any official charged with the enforcement of this Act. It
6 shall be unlawful for any person willfully to conceal, destroy,
7 obliterate, mutilate, or falsify, or to attempt to conceal, de-
8 stroy, obliterate, mutilate, or falsify, or to cause to be con-
9 cealed, destroyed, obliterated, mutilated, or falsified, any
10 books or records required to be kept under the provisions of
11 this section.

12 "PUBLIC EXAMINATION OF OFFICIAL RECORDS

13 "SEC. 6. The Attorney General shall retain in per-
14 manent form one copy of all registration statements and all
15 statements concerning the distribution of political propa-
16 ganda furnished under this Act, and the same shall be public
17 records and open to public examination and inspection at such
18 reasonable hours, under such regulations, as the Attorney
19 General may prescribe, and copies of the same shall be
20 furnished to every applicant at such reasonable fee as the
21 Attorney General may prescribe. The Attorney General
22 may withdraw from public examination the registration
23 statement and other statements of any agent of a foreign
24 principal whose activities have ceased to be of a character
25 which requires registration under the provisions of this Act.

“LIABILITY OF OFFICERS

“SEC. 7. Each officer, or person performing the functions of an officer, and each director, or person performing the functions of a director, of an agent of a foreign principal which is not an individual shall be under obligation to cause such agent to execute and file a registration statement and supplements thereto as and when such filing is required under sections 2 (a) and 2 (b) hereof and shall also be under obligation to cause such agent to comply with all the requirements of sections 4 (a), 4 (b), and 5 and all other requirements of this Act. In case of failure of any such agent of a foreign principal to comply with any of the requirements of this Act, each of its officers, or persons performing the functions of officers, and each of its directors, or persons performing the functions of directors, shall be subject to prosecution therefor.

“ENFORCEMENT AND PENALTIES

“SEC. 8. (a) Any person who—

“(1) willfully violates any provision of this Act or any regulation thereunder, or

“(2) in any registration statement or supplement thereto or in any statement under section 4 (a) hereof concerning the distribution of political propaganda or in any other document filed with or furnished to the Attorney General under the provisions of this Act will-

1 fully makes a false statement of a material fact or
2 willfully omits any material fact required to be stated
3 therein or willfully omits a material fact or a copy of a
4 material document necessary to make the statements
5 therein and the copies of documents furnished therewith
6 not misleading, shall, upon conviction thereof, be pun-
7 ished by a fine of not more than \$10,000 or by imprison-
8 ment for not more than five years, or both.

9 “(b) In any proceeding under this Act in which it is
10 charged that a person is an agent of a foreign principal with
11 respect to a foreign principal outside of the United States,
12 proof of the specific identity of the foreign principal shall be
13 permissible but not necessary.

14 “(c) Any alien who shall be convicted of a violation of,
15 or a conspiracy to violate, any provision of this Act or any
16 regulation thereunder shall be subject to deportation in the
17 manner provided by sections 19 and 20 of the Immigration
18 Act of 1917 (39 Stat. 889, 890), as amended.

19 “(d) The Postmaster General may declare to be non-
20 mailable any communication or expression falling within
21 clause (2) of section 1 (j) hereof in the form of prints or in
22 any other form reasonably adapted to, or reasonably appear-
23 ing to be intended for, dissemination or circulation among two
24 or more persons, which is offered or caused to be offered for
25 transmittal in the United States mails to any person or per-

1 sons in any other American republic by any agent of a
2 foreign principal, if the Postmaster General is informed in
3 writing by the Secretary of State that the duly accredited
4 diplomatic representative of such American republic has
5 made written representation to the Department of State that
6 the admission or circulation of such communication or ex-
7 pression in such American republic is prohibited by the laws
8 thereof and has requested in writing that its transmittal
9 thereto be stopped.

10 "APPLICABILITY OF ACT

11 "SEC. 9. This Act shall be applicable in the several
12 States, the District of Columbia, the Territories, the Canal
13 Zone, the insular possessions, including the Philippine Is-
14 lands, and all other places now or hereafter subject to the
15 civil or military jurisdiction of the United States.

16 "RULES AND REGULATIONS

17 "SEC. 10. The Attorney General may at any time make,
18 prescribe, amend, and rescind such rules, regulations, and
19 forms as he may deem necessary to carry out the provisions
20 of this Act.

21 "REPORTS TO THE CONGRESS

22 "SEC. 11. The Attorney General shall, from time to
23 time, make a report to the Congress concerning the adminis-
24 tration of this Act, including the nature, sources, and content
25 of political propaganda disseminated or distributed.

1 "SEPARABILITY OF PROVISIONS

2 "SEC. 12. If any provision of this Act, or the applica-
3 tion thereof to any person or circumstances, is held invalid,
4 the remainder of the Act, and the application of such pro-
5 visions to other persons or circumstances, shall not be affected
6 thereby.

7 "SEC. 13. This Act is in addition to and not in substi-
8 tution for any other existing statute.

9 "SHORT TITLE

10 "SEC. 14. This Act may be cited as the 'Foreign Agents
11 Registration Act of 1938, as amended'."

12 TRANSFER OF ADMINISTRATION

13 SEC. 2. Upon the effective date of this Act, all powers,
14 duties, and functions of the Secretary of State under the Act
15 of June 8, 1938 (52 Stat. 631), as amended, shall be
16 transferred to and become vested in the Attorney General,
17 together with all property, books, records, and unexpended
18 balances of appropriations used by or available to the Secre-
19 tary of State for carrying out the functions devolving on
20 him under the above-cited Act. All rules, regulations, and
21 forms which have been issued by the Secretary of State pur-
22 suant to the provisions of said Act, and which are in effect,
23 shall continue in effect until modified, superseded, revoked,
24 or repealed.

1 EFFECTIVE DATE

2 SEC. 3. This Act shall take effect on the sixtieth day
3 after the date of its approval, except that prior to such six-
4 tieth day the Attorney General may make, prescribe, amend,
5 and rescind such rules, regulations, and forms as may be
6 necessary to carry out the provisions of this Act.

H. R. 6562

77TH CONGRESS
1ST SESSION

H. R. 6269

[Report No. 1547]

A BILL

To amend the Act entitled "An Act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes", approved June 8, 1938, as amended.

By Mr. SUMNERS of Texas

DECEMBER 17, 1941

Referred to the Committee on the Judiciary

DECEMBER 18, 1941

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

THE WHITE HOUSE
WASHINGTON

January 26, 1942.

MEMORANDUM FOR

BILL DONOVAN

If you can arrange it, I will see these films Tuesday night on Saudia Arabia, and take up with the State Department and have the appropriate letter written.

F. D. R.

January 25, 1942
6:00 P.M.MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I have received the following memorandum from Dr. Walter L. Wright, Jr., who, as you know, is the head of Roberts College in Turkey. He is a member of our Board of Analysts and is to return to Turkey within the next month.

" Reports have reached me that the United States Government is sending to Arabia at the request of King Ibn Saud a mission consisting of experts on irrigation and arid land agriculture, to be accompanied by Mr. Karl S. Twitchell, who has been acting as unofficial representative of the King in this country.

" Mr. Twitchell is a mining engineer, formerly employed as personal representative in Arabia of Charles R. Crane, who was interested in giving philanthropic help to the Arabs. Mr. Twitchell has developed gold mines not far from Mecca and has become a warm personal friend of King Ibn Saud, by whom he is regarded as perhaps the only American who has worked disinterestedly for the benefit of the People of Arabia.

Full advantage should be taken of Mr. Twitchell's mission to cement good relations between Ibn Saud, the one outstanding Arab Moslem ruler, and the United States. Oriental rulers give extraordinary weight to small courtesies, and I believe that a personal letter from President Roosevelt would make a tremendous impression on him. I would suggest that Mr. Twitchell be given the opportunity to show in the White House his extraordinarily fine colored photographs and movies of parts of the interior of Arabia which no other American or European has ever visited. I think they are just the sort of thing that would interest the President, who could then write that he had admired the pictures, that he was sending pictures of the United States (as is the case since Mr. Twitchell is taking quite a lot), and that he wishes success to the King's plans for making the desert bloom like the rose. Mr. Roosevelt wrote a somewhat similar letter a few years ago to Kemal Ataturk after seeing movies of the Turkish President taken by Julian Bryan, and this letter had a most happy effect, far greater than one would have thought possible

" Mr. Twitchell may be reached at the Willard Hotel, where he lives. "

January 26, 1942
6:00 P.M.MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the substance of a memorandum prepared for us by Charles Nordhoff, of Nordhoff and Hall, on the subject of the Society Islands:

The Society Islands group is composed of Tahiti, Moorea, Huahine, Raiatea, Tahaa, Borabora and Maupiti. They are volcanic with rugged interior and very little flat land.

TAHITIA) Airfields:

Tahiti is the only island in the group where an airdrome for land planes could be installed. Suitable space could be provided on land of the Atimaono sugar plantation, large enough for smaller bombers and pursuit planes, and probably not large enough for the four-motored bombers.

Also possible to install airdromes for pursuit planes on plateaus at elevations of from 100 to 400 feet above the sea. Construction inexpensive as the soil is of decomposed volcanic rock. Labor supply ample. Machinery there at present extremely primitive. There are two or three well equipped machine shops for small work, with good mechanics but no foundry.

b) Sea Plane Bases:

There are several regions in Tahiti lagoons suitable for flying boats and sea planes, the best being Port Phaeon. This Port is good anchorage to the Atimaono sugar plantation. There have been

c) Roads:

The Broom Road encircles the main island of Tahiti. Wide enough for two cars and surfaced with Macadam. Bridges will carry weight of eight or ten tons.

d) Harbors:

The harbor of Port Phaeon has an excellent pass and with small expense could be made ideal.

e) Food:

Almost unlimited quantities of fresh provisions could be grown. Cattle, formerly abundant, now greatly depleted, but excellent beef can be raised by breeding new stocks. There are many swine and poultry, and these could also be raised in large quantities. During the season from November until April there are large supplies of fresh fruit. The supply of coconuts is practically unlimited. The native vegetables are: bread-fruit, sweet potatoes, large and excellent yams, and greens.

f) Climate:

The climate in Tahiti is one of the most wholesome in

the Tropics, varying between 70° and 90°. Malaria is unknown, and the Anopheles mosquito does not exist. Filaria can be contracted, but can easily be avoided. Yellow Fever, Typhus and Smallpox are unknown. There have been minor epidemics of dysentery. The rain-fall varies between about 65 inches at Pateete, on the Northwest extremity and 200 or 300 inches at the Southeastern extremity. The Lee side of the Island has a distinct dry season lasting six or seven months.

MOOREA

a) Airfields:

A few miles west of Tahiti, too mountainous for air-dromes.

b) Harbors:

There are two good bays, Paopao and Opunohu, with good passes and deep, but subject to severe squalls.

c) Food:

Rich land. Good supply of pigs, fowl and coconuts.

HUAHINE

Eighty or Ninety miles Northwest of Moorea.

a) Airfields:

No site suitable for land planes. There is one large land-locked bay very suitable for sea planes.

General Conditions:

This Island generally unwholesome, with numerous disease bearing mosquitoes. Has no feature of military value, save the bay (shown on Chart as Maroe Bay.)

RAIATEA and TAHAA

a) Airfields:

No areas suitable for land planes.

b) Sea Planes:

Several well sheltered bays suitable for sea planes.

c) General Conditions:

Less healthful than Tahiti, owing to prevalence of Elephantiasis.

d) Food:

Adequate water and some fresh provisions available.

BORABORA

Twelve miles Northwesterly of Tahaa.

a) Airfields:

No area suitable for land planes.

b) Sea Planes:

The lagoons are magnificent, containing great areas of water without obstacles, where the heaviest sea planes could land and take off. The pass to the bay will pass vessels drawing up to 30 feet.

c) Food:

Water limited, and very little in the way of fowl, pigs

or fresh vegetables.

MAUPITI

a) Air bases:

No suitable place for land planes. The lagoon offers several strips where sea planes might land and take off. The passage into the lagoon is very dangerous in a south-east wind.

b) General Conditions:

Few inhabitants, no fresh provisions and very little water.

MOTU ITI

About eight miles north of Borabora, a low coral island with no pass through the reefs.

Of no value from a military point of view, except as an emergency landing lagoon for sea planes.

THE WHITE HOUSE
WASHINGTON

January 27, 1942.

MEMORANDUM FOR COL. WM. J. DONOVAN:

Re: Report No. 190

You have got to work this
out yourself with the Attorney General
and Berle to the satisfaction of all
three.

F.D.R.

No. 190

January 26, 1942

12 Noon

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

I have received from Francis Biddle a copy of your Directive dated January 16. He calls my attention to the notation in your handwriting on the margin which states:

"O.K. I think the C. & S. Am. field should not be in the Coord. of Info. field nor in that of the J.F.C. Organ. FDR."

I should be disturbed if that were prompted by any suggestion to you that I endeavored to conduct or inaugurate operations in those fields. Quite the contrary. My position is set forth in the letter I sent to Biddle January 10, approving the form of the Directive (a copy of which I attach). It must be clear that in order to carry out your directive of coordinating information we must have interchance with the Department of Justice as we do have with other departments and we must be able to pursue in Central and South America any lead that will aid us in other hemispheres.

C O P Y

January 10, 1942

Hon. Francis Biddle
The Attorney General
Washington, D. C.

Dear Francis:

You will please take this as my approval of the proposed Directive for the President's signature enclosed with your letter of January 7, which letter I return herewith.

Because of the confusion in the mind of the State Department due to the fact that your previous Directive seemed to impinge upon my talks with them, I think it necessary to send this letter of explanation. I feel it doubly necessary because I am most anxious that you should understand what I am attempting to do is consonant with the original directive setting up the Coordinator of Information and with subsequent instructions from the President to work out a plan of cooperation with the State Department for the better integration of our work in all countries.

- 2 -

First of all, it is important to keep in mind the distinction that exists between the intelligence work that I am doing for the Army and the Navy, and the work that I am doing as Coordinator of Information. I stress that distinction because it was apparent at our meeting that you felt that there was a possible conflict of jurisdiction between your Department and our Agency.

As to our service to the Army and Navy, in this work I am their agent. I act in that capacity at their request. In so acting I have constantly refrained from going into South America. It may be true, as Mr. Hoover suggested, that since we are in a globular war, it would be more logical to include South America in our S. I. S. However, I told him that I thought it unwise to do so, at least at this time, and that I would not wish to take over his organization or set up one of my own in South America. But while we have no observers or operators in that area we do need the information gathered there by your organization. Up to this time material collected by you in South America has not been made available to us. It is

necessary that it should be, because Axis activity and intention in South America bears upon the evaluation of information coming from other countries.

It is apparent that our active participation in the war may mean the use of South America as a clearing house for enemy activities in other areas of the world. Occasion may thus arise where we will be compelled to pursue inquiries in South America affecting other parts of the world. Of course, we would not undertake such inquiries without first informing your Department, and I am assured by Mr. Hoover that there would be no difficulty in working out some effective arrangement.

But I am concerned with a different problem, which is the one already discussed with the State Department. As Coordinator of Information, I think there is necessary a Presidential Directive which will deal, primarily, with the Dominion of Canada, on the understanding that if that plan worked out it could be used as a model for similar arrangements with other countries in this Hemisphere. I attach such a proposed Directive.

- 4 -

I hope this letter will clarify what I am trying to do. If it does not, I shall be glad to answer any questions you may have.

Sincerely,

William J. Donovan

No. 191

January 26, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a summary of the British Secret Ministry of Information weekly survey of home public opinion, which has just come to me from our London office. It might interest you.

There has been a slight decrease in public confidence, and satisfaction over Russian progress is overshadowed by anxiety over the Far East. There is some disappointment over the stalemate in Libya and increased extended anxiety in Far East, Pessimism over Singapore continues and is intensified. There is criticism of lack of foresight.

There is enthusiasm over Russian successes, but some sections of the middle classes are uneasy over the possible extension of Russian post-war influence detailed for internal changes.

Some fear Rommel out-maneuvered the allies in Libya, and are concerned lest the battle be prolonged indefinitely.

The question "Where is the U.S. Fleet?" is widespread. Some revival of "All talk and no do" criticism. Admiration of MacArthur's stand demonstrating American ability and

willingness to fight. General feeling that "when America really get going she will pull the chestnuts out of the fire." Very little interest in Pan American Conference. There is some hope that the Americans may undertake in Eire what the British are reluctant to carry out.

There are hopes and expectations of the replacement of incompetents instead of mere reshuffling in the Cabinet. The public is sympathetic with Australian demands for an Empire Cabinet. General feeling is that radical changes in the conduct of the war are necessary to achieve victory.

There is criticism of the apparent failure of the non-stop bombing offensive against Germany.

There is continued criticism of radio and press, with a tendency to minimize Far East defeats.

January 26, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a summary of the weekly directives of British Intelligence to their Political Warfare group. This comes to us from our liaison man with British Political Warfare.

France. Treat Berlin-Paris reports concerning Vichy policy as enemy propaganda.

Far East. Unexpected Japanese successes in penetrating difficult Thailand territory forbodes ill for Burma defense. It is necessary to face the possibility of serious reverses, perhaps the capture of Singapore. Do not underestimate the bad effects of the loss of Singapore. Stress our determination to recapture the base if lost.

Libya. Avoid speculations on Auchinleck's future strategy. Attack on Rommel's positions will probably be delayed some weeks.

Russia. Stress effect of offensive on German morale, elite, manpower and equipment. Do not commit Russians to territorial reconquests.

Europe. Axis is trying to convince Spain and Portugal that action against the Axis by Latin America would involve them in war.

THE WHITE HOUSE
WASHINGTON

January 27, 1942.

MEMORANDUM FOR

BILL DONOVAN

I approve if you can clear it
with State and War.

F. D. R.

no 193

January 27, 1942
8:30MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The Yugoslav Minister came in to see me today. He said he had received word from his Government that it was the intention to resume intensive guerilla action in Yugoslavia in the spring. What they would like to have at that time to supplement their efforts would be a squadron of bombers that could operate from Egypt. They ask this because the British are not in a position to give them planes.

He confirmed the information I have had that it is possible to make landings along the Adriatic Coast, particularly in Montenegro.

Would this appeal to you -

That we permit Yugoslav citizens resident here to recruit and organize a brigade (even as few as 200);

That they would do this under their own flag;
That we obtain for them transportation to the line of departure;

That we supply them with arms and ammunition

as a guerilla group.

This suggestion appeals to Fotitch. He agrees that it would have a tremendous "lifting" effect to the Yugoslavs and to the Serbs. They now have a force of about 50,000 men operating against the Germans and Italians. It would be the most effective means, with a minimum of transport, to show these people that we are with them.

On a similar proposal for the Greeks we are arranging for an agent to go to the Middle East. As you know, that is the area which many conceive as the real point of entry against the Germans.

January 27, 1942
8:30 A.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

From our London office comes the following material which is obtained from the British Ministry of Economic Warfare Weekly Propaganda Digest:

Reports show that typhus is reaching epidemic proportions in the east. All ordinary travelling between Germany and occupied states has been suspended. Officials and soldiers who must travel must undergo a period of quarantine. Schools closed in the Ukraine. Disease has already penetrated into Germany as far as Frankfurt-on-Main but there is no sign yet of the epidemic in the German army because of careful precautions. The Roumanians are suffering seriously. Special steps have been taken in Lithuania.

Reichsarbeitsblatt puts the figures of foreign workers in Germany at the end of September at 2,139,000 including 472,000 women. A special effort is now under way to recruit foreign women workers, especially Polish, Flemish, Bulgarian and French.

Italy and France signed an agreement late in December whereby the French will open a credit account in favor of Italy while Italy renounces claims on infantry and artillery weapons, motor vehicles and other supplies of French troops who fought Italians.

The Swedish press reports a complete prohibition of alcoholic beverages in Germany effective from January 1st. Production in 1942 is restrictable to industrial alcohol. These steps are explicable because of the lack of potatoes, the increased need of alcohol for making Buna, and the stringency of the oil situation causing a need for substitute fuels.

Supplies of barley and malt to German brewers have been cut further. Expected rationing or reduction of the alcoholic content of beer is necessary. In Munich, cafes are to limit quantities sold to one large glass per person, or remain open only two hours daily.

January 27, 1942
12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have entered into the following arrangements with PWE on rebroadcasts:

1. An understanding that we are to have three daily foreign broadcasts of fifteen minutes each for six months.

2. That the following time schedule has been made available:

German 14.15 immediately following BBC
German language broadcast.

French 15.30 immediately following BBC

Italian 22.45 immediately following BBC

All of these are British summer time.

3. There will be three trial runs on January 29th, 30th, and 31st to test receiving, transcribing and re-broadcasting on closed circuit.

4. Regular re-broadcasts will begin February 1st.

5. Programs must be telephoned from America exactly two hours before re-transmission times.

6. We have had our people in London vigorously request a fourth daily period of fifteen minutes in

- 2 -

English. Formal decision on this point may take some time, and for that reason we will begin foreign language transmission without delay.

OK
7AR

No. 196

January 27, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I

I respectfully request authority to negotiate with the short-wave broadcasting companies for the leasing of all time on all existing international transmitters, at a fair price, it being understood that we shall cooperate with the Coordinator of Inter-American Affairs in the allocation of time to South America and also that we have the approval of the Federal Communications Commission.

II

I further request to be authorized to contract for the building of twenty to thirty additional transmitters, according to FCC engineering recommendations, to increase the total broadcasting power of the United States from approximately 500,000 watts to approximately 2,500,000 watts; it being understood that the construction of this equipment will be under the direction of the Federal Communications Commission engineers, and subject to approval of the Defense Communications Board.

III

I make these requests for the following reasons:

A. Up to now we have been working on a peace-time basis with the short-wave companies and that basis is not adequate to meet war needs.

B. It is now necessary for us to carry on our political warfare by active, affirmative means, which cannot be fully realized unless we have control of the broadcast time in our own hands.

C. In a short time it will be necessary to pursue subversive measures, which must be entirely within our own control.

D. The broadcasting companies have given us their short-wave facilities without cost and at no profit.

E. Our present short-wave facilities are the weakest of any major power, and an expansion certainly to five times their present strength is needed. This additional expense cannot be borne by the broadcasting companies. Of course, it is fair to assume that any revenue derived from the proposed arrangement would be employed by the companies to improve and strengthen their facilities, with resultant

benefit to us.

F. By building the additional transmitters mentioned in paragraph II above, these additional facilities would be provided not only for foreign broadcasts but also for code transmission, telephone circuits, and for radio transmission of pictures, facsimiles, and maps.

G. Our study leads us to believe that this whole communications program would divert a comparatively small percentage of the total material and manufacturing effort.

H. If this program could be carried out, short-wave broadcasts from the United States could be greatly improved in quality and made more effective as a weapon of political and psychological warfare.

I.. Of course, these facilities will be available for the use of the Army and Navy.

No. 197

January 28, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following approximate survey of Axis war production capacity was prepared by the British Ministry of Economic Warfare and comes to us through our London office:

1. In November, Germany's production of military airplanes of 20 types was approximately 1,720. The productive capacity of the German aircraft industry was recently extended by about 15%.
2. In both unoccupied and occupied France, production of both German and French types of military airplanes is about 200 monthly and will be about 250 by March. . The full capacity of the plants cannot be used because of a lack of raw materials.
3. Italy's production is about 350 monthly, which is less than capacity.
4. Japan's production is about 350 monthly, 250 of which are operational. Approximately 40 civilian aircraft are produced monthly.
5. At any one given moment in Germany, there are about 250 submarines in various stages of construction. Between

September, 1941, and September, 1942, about 208 will have been completed. The monthly average is five of 740 tons, and 12 of 500 tons.

6. Five French subs of about 805 tons are being built in occupied France.

7. One or two Dutch subs of 888 tons are being fitted out.

8. Japan is building 12 submarines, three of which are 1200 tons. Italy is building 50.

9. Germany is producing torpedoes at a rate of 650 a month of 21-inch electric battery type, 270 of 21-inch air-driven type.

10. Germany is producing monthly 275 ten point five centimeter or higher caliber guns. Italy 50. Rest of Axis 75.

11. Regarding seven point centimeter guns: Germany is producing 160, Italy 100, the rest of Axis 40.

12. Regarding anti-tank guns: Germany 400, Italy 75, rest of Axis 100.

13. Regarding tank guns: Italy unknown, Germany 1,000, rest of Axis 130.

14. Anti-aircraft guns: Italy unknown, Germany 180, rest of Axis 20.

15. Regarding light anti-aircraft guns: Italy unknown,

Germany 200, rest of Axis 30.

16. Regarding naval guns: Germany 120, Italy 50.

17. Superheavy machine guns: Germany 1,000, Italy 125,
rest of Axis 300.

18. Army machine guns: Germany 3,500, Italy 1,200, rest
of Axis 2,000.

19. Regarding aircraft machine guns: Germany 8,000,
Italy 800, rest of Axis 250.

20. Regarding navy machine guns: Germany 200, Italy 100.

Copies of this have been furnished to the Army, the Navy,
and the War Production Board.

No. 198

January 28, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a statement of the current situation in Ecuador:

Latest advices indicate that the government of Ecuador is about to collapse as a result of the dissatisfaction of the politically powerful elements in that country over the outcome of the negotiations with Peru at Rio de Janeiro. The man who is slated to become dictator of the country is Colonel Astudillo. This man is described as able, strong, and with a good record of honesty. He has been accused on various occasions of being pro-Nazi, but on other occasions he has been accused by Axis sympathizers as being pro-American. It is reported that Astudillo has shown a spirit of friendly cooperation with the American officers in Ecuador. He is the man most likely at the moment to be able to command the respect of the Ecuadorians. Colonel Astudillo was recently promoted to the position of Chief of Staff of the Ecuadorian army, replacing Colonel Romero who was moved up to the position of Minister of War. He was in command

January 31, 1948
12:00 Noon

of the Ecuadorian army and is chief of the Guayaquil military zone.

One of the important questions which arises as a result of this latest development is the continuation of any negotiations regarding the use by American troops of a military base in Ecuador. It seems likely that these negotiations will continue, but the cooperation of the Ecuadorians is likely to hinge upon the movement of the Peruvian army in the province of El Oro. This province, which is on the border of Peru and on the Gulf of Guayaquil, is now occupied by the Peruvian army. If the Peruvian army withdraws from El Oro, the Ecuadorians will probably be willing to continue their cooperation with the United States. Hostility to the United States, however, would become stronger if the Peruvians, in spite of their diplomatic victory at Rio, should continue their occupation of southern Ecuador on the west.

The Germans had offered to send the Spanish soldiers back to Spain for the Christmas holidays, but they had refused to do so because they thought it might seem cowardly on their part. He further stated that of the 34 Spanish pilots that had gone to the Russian front, 15 had been killed.

Within the past sixty days, Merito was sent to Germany

January 31, 1942
12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a memorandum of a conversation with the Marques del Merito. The Marques is a Grandee of Spain; was friendly with the late King, and was instrumental in helping Franco gain power. He has a sherry business which bears his name. He is married to a daughter of Patino, the tin man. She is desperately ill and he flew her to this country to see her family.

Merito stated that the Germans had withdrawn a number of their troops from the Russian Front; where they were now placed he did not know; that as far as he knew they were not on the Spanish border. He stated that the Spanish had sent 40,000 volunteers to help the Germans fight the Russians. Of this number 20,000 had been destroyed. The Germans had offered to send the Spanish soldiers back to Spain for the Christmas holidays, but they had refused to come because they thought it might seem cowardly on their part. He further stated that of the 24 Spanish pilots that had gone to the Russian Front, 16 had been killed.

Within the past sixty days, Merito was host to Serrano

Suner, Spanish Foreign Minister, at his shooting place in Spain. Suner, he stated is becoming disgusted with the attempts the Germans are making to embroil the Spanish in European War. Referring to the recent sinking of two Spanish boats by Germans, he reports Suner as saying: "They have gone too far." According to Merito, Suner's alleged pro-German proclivities are used by Franco as a shield to help him placate the Germans.

Merito further stated that Franco has had to shoot certain members of the Falangist organization. It seems the Germans have considerable influence with the Falangists and it is believed that the Germans would like to use this organization to foment civil disorder and then under the guise of pacifying the country, the Germans would occupy it. Merito says the Spanish do not want a German occupation nor do they want to become involved in another war, either civil or otherwise.

No. 200

January 31, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

• FROM: William J. Donovan

One of the films taken by our Photographic Presentation Group, of the Panama Canal, showing the locks, their protection, the internment of aliens, etc., is ready for presentation if you would care to look at it. The picture takes exactly twenty-eight minutes to run, and we will be prepared to send it to you at any time that you would wish.

As I explained to you, it is not intended as entertainment, but is our experiment in presenting the raw material of defense.

No. 201

January 31, 1942

12 Noon

*WJD
Show this to
Bullitt*

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Attached is a brief estimate of the
French military leaders in French North
Africa. It was prepared by Chautemps.

As far as the military leaders in French North Africa are concerned, we do not believe that great hopes should be based on them.

General Juin, who commands in Morocco, was a prisoner of the Germans and was freed after promising never again to take up arms against Germany or undertake anything against her which other French officers refused to do.

He was sent to Morocco after Weygand was recalled and it appears probable that his nomination, made by Darlan, was agreeable to the Germans.

We think that General Koeltz (or Coels) who is at the head of the Algerian troops, is the same General who was sent by Weygand to Algeria in June, 1940, to determine the technical possibilities for the resistance proposed by General Noghes. He brought back an entirely unfavorable opinion to the Ministers' Council which was used to impose the Armistice.

We had the impression that this mission was not so much to really study the military situation but rather to find arguments to overcome the opposition to capitulation.

We do not wish to draw any conclusion from these memories as to General Koeltz' own feelings. However we were not surprised when we were assured that this officer in Algeria, was considered to be in favor of collaboration with Germany.

General de Lattre de Lassigny, commander of the troops in Tunisia, at the beginning of the war was Chief of Staff to General Bourret, commander of the Fifth Army on the Rhine front. General Bourret, former Chief of the Military Cabinet and a personal friend of Daladier, was a republican officer who came up from the ranks. To what extent did his Chief of Staff share his ideas? We could not say.

However General de Lattre de Lassigny, at that time had a

favorable reputation. It seems to us, according to personal information together with these memories, that General de Lattre de Tassigny perhaps deserves more attention than his two colleagues in Algeria and Morocco from the American authorities.

The successor to General Odie, who joined the de Gaulle movement after having commanded the aviation of all North Africa for a year, is a General who on his arrival in Algeria did not hesitate to criticize General Weygand's attitude, not sufficiently orthodox in his eyes. He has been described to us as an ardent supporter of the regime and of the policy of the extremists.

As for General Harecourt, whose name has been mentioned in connection with North Africa, has been retired and has left Algeria to direct civil aviation at Vichy.

There remains a military personage in Algiers whose role is vague but doubtless of some importance; Admiral Fenard who was brought by General Weygand as his secretary general and who has remained at his post even after the General's departure. He is an adherent of the regime and more of a bureaucrat than a politician.

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It seems to us that the civil administration leaders, although two out of the three are of military origin, are much less ardent, more cool-headed, and are in closer contact with the inhabitants and with the realities of daily life.

Admiral Esteve, Resident General at Tunis, is considered in the navy as an outspoken man who has no sympathy for the Germans or the Italians. He is certainly loyal to Marshal Pétain, but it is believed in general that he does adhere to the policy of submission.

The Governor General of Algeria, Yves Chatel, is a distin-

guished official who was completely successful in Indo-China. He came to Algeria as General Weygand's civilian collaborator and fully satisfied the population by his administrative qualities.

When General Weygand was made Governor General of Algeria, relieving Admiral Abrial, Yves Chatel was his assistant and already assured the management of the civilian administration. After Weygand was recalled, Chatel's actual position was only confirmed when he was officially assigned the post of Governor General.

In his case, one seems to be dealing with a man who symbolizes the good French official of which France must have many today: they are people who are more concerned with their country and their duties than with one political regime or another, and who have continued to serve France after the Armistice in the same spirit of devotion as before. Quite certainly they think about recent events and do so intelligently most of the time. They approve neither of the excessive internal measures of the militant supporters of the regime, nor of the treasonable actions of the collaborationists. In the present public misfortune, they cling to the prestige and integrity of Marshal Pétain in whom they have confidence. One must not hope that they will rebel against their chiefs, but one can be certain that they will make every effort to maintain, as far as they are able, the independence of their country and preserve American friendship for France. Therefore, there certainly is a policy which should be used in regard to such men.

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General Nogues to whom a part of these preceding general observations could be applied, is nevertheless a slightly more complicated case.

Nogues is a very distinguished soldier. For a long time he

has also been an extremely diplomatic high official. Through his family connections and social habits he is also something of a politician. His wife, who has great influence over him and has a great many outside activities, is the daughter of the former Foreign Minister, Delcassé, who played an important role in European politics at the beginning of the century. One should not lose sight of the fact - and we hope that M. and Mme. Nogues will do the same - that the most important action of Delcassé's career was the cordial Franco-British entente. Nogues has administered Morocco with a certain amount of success since 1936, besides which he has been Commander in Chief of French North African forces since 1939. In this position he had worked to increase the strength of the African Army. In spite of the scarcity of modern material, owing to insufficient industrial means, he had established a solid instrument of war which it would have been possible to plan to reinforce in case of a setback on the principal fronts. Unfortunately the contrary took place; beginning on May 10 the Commandment emptied North Africa of her best soldiers and modern material.

Nevertheless, General Nogues in strong terms proposed to the Government that they seek refuge in Algeria where he was preparing to defend himself. It was at that time that General Weygand sent General Koeltz, as we have already told, to establish the technical impossibility of the proposed resistance.

General Nogues bowed to the armistice decision but not without having very nobly protested. He was even threatened with disgrace because of the vigour of his telegram to General Weygand and it was with great difficulty that President Lebrun and M. Camille Chautemps were able to defend him.

Sometime later we had the opportunity to question him about these events. Was it simply a change of technical conviction or professional discipline? He did not hesitate to tell us that he had

been misinformed at the time of his appeal for resistance, that at that time he did not believe the defeat at home to have been such a catastrophe and therefore that there would be time to transport fresh troops and material to Africa. He added that since the facts were better known, he believed the decision not to attempt a hopeless struggle in Africa was wise. According to him, a German attack, preceded by a landing, even by air, in Spanish Morocco would have found French Africa so little prepared for modern war that the destruction and conquest of our beautiful colony would have been certain and rapid.

We recently ascertained that this was likewise the opinion of another officer of great merit and in his case can not be accused of any partiality towards Vichy, since he has gone to join General de Gaulle. We are speaking of General Odie who was in command of aviation in North Africa.

This is a point which we would especially like to bring to the attention of the American Government. The question of responsibilities in regard to the Armistice, which, according to some can have no other explanation but treason, is poisoning the atmosphere. Even recently M. Churchill, in his Ottawa speech, declared that if the French had gone to Africa, Italy would have been liquidated in 1940. It is on this assertion that he principally bases his indiscriminate accusation of "the men of Bordeaux". This is a technical point which we ask the American Government to study. According to us, this conclusion, derived from the facts, has not been proved and springs from irritation rather than reflection. Doubtless one could have conceived a plan - and the High Command and the Prime Minister are guilty of not having studied the possibilities - for a prepared general retreat towards Algeria in case of a metropolitan defeat. But the men and available material should have been sent in time. We do know that this was not the case for Reynaud on the eve of his resigna-

tion, was still considering with de Gaulle what they called the "reduit breton" (retreat in Brittany) without even having referred to the Commander-in-Chief. Therefore, there could not have been any important quantity of arms in North Africa. The English, after Dunkirk, did not have at their disposal any material which could have been sent to the French and America had just answered that she could do nothing.

Under these conditions the British Prime Minister's assurance is not based on serious proofs. One could just as well maintain that the Armistice, without collaboration, would not have placed the Allies in a worse situation than would have resulted from the total occupation of France with 2 million more prisoners, the naval bases, like Toulon and doubtless all the French African bases, in the hands of the enemy.

To return to General Nogues; in the past he had a good attitude, later he submitted to the new regime. In August, 1940, he seemed to us somewhat timorous with regard to government authority. Nevertheless, we believe that his inner feelings must have remained the same, and we can not consider him either as an enemy of England or America or as a friend of Germany.

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In our opinion, one should seek the support of the more modest but more independent agents rather than rely on the great leaders. In North Africa there are legions of officials of medium rank who have influence on both the French and native populations and who ask nothing better than to work for the liberation of their country.

It is necessary to create, with the support of those who can be approached - and by going from one to the other, one will find a great number - an atmosphere of sympathy towards the Americans,

suppressed hostility towards the Germans and Italians and towards those who wish to submit to them and develop a hopeful and expectant spirit in the population. The leaders will feel it and will themselves be more confident - or more prudent.

When the day comes and the need is felt, one will find a population prepared to do their duty towards their country and towards their liberators.

No. 202

January 31, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following information, dated in December, has been obtained from a well-placed source who has, on occasion, provided reliable information in the past:

There will shortly be changes in the administration of Tangier - in France's favor.

The changes will involve French participation in administration with Spain, backed up by Germany and Italy, with the object of eliminating British and United States influence from Tangier.

In view of the arrangements made for rationing in Tangier, it is possible that the basis of the proposed Franco-Spanish agreement will be economic.

The following has been obtained from a source who is in touch with members of the Spanish Intelligence in Morocco:

The French and Spanish Consuls have recently had several interviews which, there is reason to be-

lieve, were in connection with a proposed international administration, which would embrace the customs, a stabilized exchange on the basis of Moroccan francs, Spanish collaboration in the Banque D'Etat Du Maroc, and the placing of French officials in the administrative offices.

No. 203

January 21, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following, from our London office, is a summary of the British Secret Home Intelligence for the week ending January 26, and consequently prior to Churchill's speech and the landing of American troops.

- a. Drop in confidence worsened.
 - b. Whole Pacific situation, with anticipation of fall of Singapore and increased threat to Australia, caused public anxiety.
 - c. Rommel's advance in Libya, above everything else, was a distinct shock when a stalemate was the worse expected.
 - d. Good news from Russia supports people's spirits, but does not counterbalance general perturbation.
 - e. Freedom of Japanese movement in Pacific and lack of British-American countermeasures increased gloom, but was somewhat offset by Macassar action and RAF increased activity. Nevertheless public critical and gravely disturbed. "We need be persuaded problem being properly tackled."
 - f. Belief defenses of Australia negligible.
- Belief "greater part Australia's troops, which are now out

of Australia, have been sent to our aid elsewhere in the Empire" creates great sympathy for Australia.

g. Successes of the Dutch gratifying. Some feeling "the Russians and the Dutch are fighting all our battles."

h. With regard to Libya, extensive criticism of "bad weather excuses which did not prevent counter-attack by Rommel."

i. Capture of Majhaisk increased confidence in Russians Army with increasing belief in probability of complete Russian victory on this front. Minority expects German revival in the Spring and feels news too good to be true. All sections hoping fervently Germany will be kept occupied and will be prevented indefinitely from developing offensives elsewhere.

j. Increasing public friendliness to the United States and fewer references to "Too much talk and insufficient action." Still tendency toward United States share of the blame for impotence of the British in the Far East. This largely offset by General MacArthur and American "courage" in the publication of the Pearl Harbor Report.

k. Churchill's speech expected to "do a lot toward meeting accumulated criticisms". Decision for vote

of confidence, however, causes some apprehension. "Unfair for Churchill to try to reduce criticism by injection personal popularity into the picture." Majority prefer resolute admission of failure and feel that further whitewashing might damage reputation of Churchill. Hopes expressed for a Minister of Production and an Imperial War Cabinet, also desire for changes in ministers and not a simple reshuffling.

2. Industry. Although slacking of workers is alleged, the responsibility for seriously disquieting production situation is placed on managements either incompetence or lack of patriotic incentive by thoughtful public. Workers themselves, in some locations, stating that "management wastes three-fourths of the time for which they are paid", are reported to be asking for an inquiry into forced idleness.

January 31, 1942
6:00 P.M.February 2, 1942
8:30 A. M.MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

On the day of the sinking of the Prince of Wales and the Repulse the following occurred in Chungking:

6:00 A. M. -- Intercepted message to Japanese Security Police from the High Command saying two vessels of the Prince of Wales class had been sighted. Upon receipt of this message the Chinese immediately informed the British Attache at Chungking. In great distress he said he had no means of communicating this information to Singapore.

10:00 A. M. -- The Japanese Commander at Formosa asked for a confirmation.

10:30 A. M. -- The Japanese Commander at Formosa ordered sixty bombers from Saigon.

2:30 P. M. -- Commander of the Japanese bombing squadron reported the sinking of two vessels.

Midnight -- London confirmed.

February 2, 1942
8:30 A. M.

-3-

The operating function of the Board of Economic Warfare is, speaking generally, the denial to the enemy of supplies which are necessary or useful to him, and the securing to the

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I spoke to you some months ago of the fear I had that there would be a tendency in certain quarters to eliminate our Economic Section because of a seeming duplication with the work of the Board of Economic Warfare. I have talked with the Vice President, and he has no such fears.

There is beginning a very close and effective cooperation which it would be unfortunate to disturb. But though this cooperation exists now, it is still necessary to have economic experts in both agencies, because of the distinction that exists between the two.

The distinction between the economic work of the Coordinator's Office and the economic studies of the Board of Economic Warfare does not turn primarily on the character of the materials which are studied or on the area of the world which is covered. The distinction is based fundamentally on the nature of the operating functions which are served by the information collected in the two agencies.

The operating function of the Board of Economic Warfare is, speaking generally, the denial to the enemy of supplies which are necessary or useful to him, and the securing to the United States of supplies which are necessary to us and to our allies. The principal, though not the exclusive, means of attaining these objectives are through export control and preclusive purchasing. The economic information necessary to the pursuance of these functions should be and is assembled and analyzed in the Board of Economic Warfare.

The operating functions served by the information assembled in the Coordinator's Office are (1) psychological warfare and sabotage in enemy territory - functions which are located in the Coordinator's Office - (2) military and naval action. In serving the second function the Coordinator's Office is acting as an extension of military and naval intelligence. This has been recognized in the recent assignments given to C.O.I. by Military, Naval and Air Intelligence; and (3) a function performed by the information service of the Coordinator's Office, not associated with the operations of any single government agency, is the co-ordination and analysis of information from all sources bearing on current problems of

No. 206

February 2, 1942
8:30 A. M.

WJD
Talk with Mellett,
Mc Leich & Lendis
about this.
FDR

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I am advised by our people in New York that there is a great deal of loose talk regarding ship movements, troop movements and all sorts of information of both military and economic value to the enemy.

I have no doubt that this same kind of talk exists in other places.

Might it not be desirable that the attention of the general public be called forcibly to the fact that such talk is dangerous. Someone has suggested that instead of putting up attractive posters advising people not to talk that large disfiguring signs saying "DANGER - DON'T SAY IT" should be placed behind every bar and in every barber shop, etc., the idea being that an ugly sign of this sort would be more effective on people than anything pretty.

From all that comes to us, something needs to be done to stop this dangerous practice.

No. 207 .

February 2, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

There follows a copy of some notes on a talk which our man in Cairo had with Admiral Cunningham early in January:

"In discussing the present situation, he felt the big problem was how to nail down the victory on the desert. He kept quoting Admiral Togo's remark about pulling the strings tight on the helmet of victory. He said the problem of the army in Libya was in a way similar to his problem, which so far had proved unsolveable. Whenever he steamed out in force, the Italian Navy went into port. When he gave out of fuel and had to return to his base, then the Italians came out. And so on ad infinitum. The army must watch out they do not become engaged in the game of streaming back and forth across the desert. Unless the Germans were completely eliminated from Libya there was always the danger of this. But the big prize was French North Africa. If we could control French North Africa, we could save 33% of the shipping engaged in supplying the Near East. He needed more ships and more planes, and I would hear more of this when talking

February 4, 1943
6:00 P.M.

to his officers.

"He talked of the damage to the Queen Elizabeth and the Valiant. An investigation was under way, and our people would have the full particulars from London. He said they had six men from three of the submersible rafts under lock and key, and that they were going to 'die' for six months. He felt sure the enemy did not yet know of their success. He said he did not know whether these rafts slipped through in the wake of a ship, or whether they cut or lifted the net. He knew the apparatus was fitted with a cutting or lifting device. Formerly the practice of dropping a series of small charges in the wake of a vessel coming through the nets had sufficed, but somehow it had done no good in this case."

2. In France, and especially occupied France, definite evidence points to steady growth of militant leftist and communist tendencies.

3. De Gaulle had a stormy interview with Churchill, lasting three hours. I learn from both British and French that his personal situation is still unsettled.

4. I have had a conversation with Giff. He says that the situation in the North is still unsettled and that the

February 4, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a cable which has just come to me from our London office:

1. According to Dejean, who is Foreign Minister for De Gaulle, an agreement has been reached between the Russians and De Gaulle. The Russians, in exchange for complete open support of Stalin, promise not to spread their Communist propaganda in broadcasts in French, nor to France.
2. In France, and especially occupied France, definite evidence points to steady growth of militant leftist and communist tendencies.
3. De Gaulle had a stormy interview with Churchill, lasting three hours. I learn from both British and French that his personal situation is still unsettled.
4. I have had a conversation with Odie. He has no trust in DeGaulle whatsoever and is afraid

of "personalist" leadership, and consequently, a tendency to national communism or to fascism after the war with the same relationship existing between Stalin and De Gaulle as between Hitler and Petain.

5. The Department of State's attitude toward France is realistic according to Odic due to the slow severance of relations with Berlin of Petain and tending toward Washington and also because if Soviet military successes continue, Darlan will for reasons of opportunity follow same course.

*Not a bad idea
Talk with Secy of State
about it - also H. H.*

No. 209

February 2, 1942
12:00 Noon

February 2, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

With further reference to my memorandum No. 200 of January 31, on the subject of the Panama films, in view of the fact that we will have other pictures of Panama to go with these, it seems to me it would be better to defer showing any to you until they can be shown as a whole. That should be within the next two weeks.

Not a bad idea,
Talk with Secy. of State
about it - Also H. Rockefeller

No. 210

February 2, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Would you think it feasible and advisable to
set up the following radio program for short-wave:

To have a series of short-wave broadcasts by
signatories of the United Nations Pact. It would
begin with the Secretary of State and follow with
two of the delegates each week until all have spoken.

February 4, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following has just come to us from our London office relating to the rebroadcast arrangements;

"1. Kirkpatrick tells me first trial run of rebroadcast was technically successful and satisfactory.

"2. Tomorrow night I shall send details of result of entire trial broadcast.

"3. Kirkpatrick says B.B.C. is able to furnish replacement material for necessary elimination for several weeks, primarily American music, but urges you provide steady supply reserve platters soon as possible.

"4. For several days all European B.B.C. transmissions have been announcing and will continue to announce that American transmissions will start soon without setting exact date.

"5. Kirkpatrick points out that English language

February 4, 1942
5:00 P.M.

-2-

rebroadcast period offered in out Tel. No. 987 has excellent audience of many millions of listeners inside British Isles as well as extremely large European audience.

6. B.B.C. editors appointed to cooperate in handling our rebroadcasts are Carleton Green, former Daily Telegraph correspondent in Berlin, Gillie, former London Times in Paris, Whittall, head of Italian Section of B.B.C.

7. Kirkpatrick requests that you provide us fully, regularly, all material you are able to gather on European listeners' reactions to our direct short wave transmissions as well as rebroadcasts.

February 4, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have just received the following cable from our London office on the subject of further French leaflets:

"1. Distribution stations have been given special French leaflet on landing of American troops.

"2. First side parallels photographs of Americans landing in France in 1917 with a good shot of an American or Irish quayside January 16th, 1942.

"3. Text on reverse side:

"(a) Follows general line with quotations from leaflet No. 1 recalling historical parallel, hinting of impending big events.

"(b) Quotes Sinclair's address of welcome emphasizing underneath that troops will be used to liberate Europe rather than simply to protect Britain.

"(c) Refers to statement that American bombers will take part in actions against Germany.

"(d) Points out similarity in 1942 Nazi propaganda belittling American intervention with junker propaganda of 1917."

*Return to Errol
Flynn letter & photo
to Col. Donovan.*

No. 213

February 4, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following letter from Errol Flynn, Hollywood movie star, comes to me in this way. Wallace Deuel, who is in our Foreign Information Service, I loaned to Henry Morgenthau to help make a movie. Deuel is in Hollywood and there met Flynn and delivered the message concerning which I talked to you at dinner. If you think there is any need for me to discuss the matter with him, I will have him come on.

"Many thanks for your message in the wire you sent Mr. Deuel. It has encouraged me to write you directly, although I can't help recalling some advice once given me that one should never try to write about any matter of importance if you can't get it on one page of paper. But for the fact that I am at present working on a picture, I would have flown to Washington, since I firmly believe I have a sound enough idea to warrant taking up some of your time. However if, as I now outline it very briefly, you feel it is of sufficient interest, I am pretty sure I could arrange to fly East in a few weeks to discuss it with you in more detail. Meanwhile I hope you'll bear in

mind that there are many more facts to the scheme than can possibly be put down on paper.

"My father, Professor T. Thomson-Flynn, is Dean of the Faculty of Science at Queen's University, Belfast; and since he has made a life-long practice of disassociating himself with all forms of politics, the result is that he is persona grata and, I might add, pretty highly regarded in Eire also.

"The Faculty of Trinity College, Dublin, has invited him to lecture there many times, so I think it will be apparent to you that when a Northern Irish professor is extended invitations of this sort he must not only be in good standing with intellectual circles but official as well - this is important to remember.

"And if before the war he was a prominent figure in Northern Ireland I think it can safely be said that he is now also a beloved one, since for these two past years he has been the head of the A.R.P. for the entire North, and is generally credited with having secured for the unfortunates there a greater measure of war relief from England than they would otherwise have received.

"Now quite apart from my father's situation there, perhaps you know that the Irish, both North and South, are great movie goers. When last there it was a constant source of

astonishment to me that while Bridget O'Toole had only the foggiest notion whether the Panama Canal divides America or Africa, she did know without a shadow of doubt that Clark Gable cherishes a marked antipathy for striped underwear and that Hedy Lamarr wears a false bust. In short she shows the same keen interest in Hollywood personalities that a wife displays going through a husband's pockets. It was most apparent that if the somewhat stolid Northern Irish could get excited about something, that something was Hollywood, and in the South I was a little shocked to discover that the Irish, whom I had always regarded as a little above the average in intelligence, had their share of the slightly hysterical movie fan.

"Now in view both of this well-disposed attitude toward me personally as a Hollywood figure plus my father's position there and his many invaluable connections in both North and South, it seems to me that if Uncle Sam were to put me in an American Army uniform and send me over there I could be of value to your department. Without knowing the Government attitude one presumes America needs the Irish bases in the South, that we must eventually try by every means to secure the use of them. I could work as well, perhaps better, than most to this end, and while the Eire government might possibly

see in me an instrument of American propaganda I feel I could eventually manage to achieve something, particularly toward helping mold the public's opinion to a more favorable view of the Irish base question.

"In one other respect I am convinced I could be of considerable use; that is, the excellent opportunities which seem to come, almost without effort on my part, to a man in my peculiar position in life, to acquire a certain sort of intimate information that would be of use to your department. I have found this to be a fact in the past during my travels in foreign countries; in particular South America a couple of years ago, advance information came to my knowledge often which, to my surprise, was subsequently confirmed by later events. One example of this was that I happened to learn of the forthcoming movements of Arthur Dietrich, the head figure of the Nazi consular-espionage ring and at that time resident in Mexico, a full week before he made them. I passed the information on to General Brett and General Dargue who happened to be flying on Army business through Guatemala and I know they both wondered how the devil I, a Hollywood actor, should get hold of this sort of dope. But without going into the exact way it works, it is precisely because one is that that disarms suspicion. In Ireland the opportunities would be, I know,

legion. In other words, if I were to go there openly, as a Hollywood figure in an American Army uniform, I would be far less suspected of gathering information than the usual sort of agent. A Hollywood movie star, behaving innocuously tritely like a Hollywood movie star, would not, I am sure, excite suspicion of the above kind of activity.

"There are, of course, so many more angles to this general scheme as to make it impossible to go into them here. And besides this, I am quite sure Colonel that you yourself, from your knowledge of Government needs in the matter, will know of many others. But I am most strongly convinced that, by representing a certain large section of public good will in Ireland, I can be of substantial use to you over there.

"May I hope to hear from you soon?

Very sincerely,

(Signed) ERROL FLYNN

No. 214

February 4, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a copy of a letter which I have received from our man in Cairo. I also attach the prints to which he refers.

"I visited Suez yesterday accompanied by an official British photographer. We took pictures of various activities and the prints will be forwarded when developed. The operations at the port have been fully reported on by representatives of the Maritime Commission.

"The rate of progress on new developments is extraordinarily slow, due to the type of labor and the lack of machinery. The picture will show this. Another striking feature is the lack of imagination which has been used in the planning. Bottlenecks in traffic are common, and railroad tracks have been placed where they block truck traffic, etc. While there is nothing that can be done about this, I hope the pictures will show the difficulties in the event future expansion is needed.

"Union activities on American ships, which for the last few years has been so harmful to the discipline, does not seem to have abated since the war, at least out here. I listened

February 4, 1942
D. C.

to long and painful stories from the Captain and Chief Engineer of the West Celina on this subject. The engine room situation is particularly bad and three engineers in Suez say they are quitting as soon as they get home unless they can be allowed to run their own engine room. From my own knowledge, of the labor situation on American ships, I know how most of them are now run and that the officers are practically helpless. There can never be any discipline on board ship as long as union delegates are there in an official capacity.

No. 215

February 4, 1942
12 M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I received the following memorandum from one of our monitors who was listening in last Saturday morning:

"Berlin put on an excellent broadcast to Africa and the Far East. It was the first of a news series called 'Anzac Tattoo,' and there was little or no propaganda in the Nazi manner in these broadcasts. According to the monitor, the music was excellent and the speakers had only a small trace of accent.

"The news series for Australia probably is an appeal to the Anzacs to desert, since the program very subtly gives an excellent reason for deserting - prospect of pleasant life in prison camps, supported by the objectivity of the news review which suggests a non-regimented state of mind in the broadcaster.

"Another possibility is that Berlin is seeking to build up its Anzac audience.

"A third possibility is that an Axis move of particular interest to the Anzacs may take place soon and Berlin, therefore, is extremely interested in getting

a large radio audience in Australia now. Once the audience is acquired, their usual defeatism pre-invasion propaganda will begin."

February 4, 1942

6:00 P.M.

report Imperial dissension; prophecies of American domination
of British Empire apparently intended to (a) conform to home

ca MEMORANDUM FOR THE PRESIDENT news fed with us but waxes with

Br FROM: William J. Donovan of Washington consultations.

"4. The following is a cable we have received from our representative in London:

"1. In their home propaganda, Germans continue to avoid revealing Russian place names, and have sought for six weeks to maintain fiction that German line is substantially unchanged since December 7. Attribution of rumor of new German spring offensive to British sources indicated new propaganda technique. Prominence given to alleged German air supremacy in Russia.

"2. America - raw material shortage represented as making Roosevelt's armament figures ridiculous. Their technique is to refrain from discussion of American arms program while plugging American vulnerability. Indications of 'blockade of U.S.A.' soon featurable. Parallels with American production of the last war carefully avoided.

"3. Large-scale ridiculing of Churchill blaming him for unreliability of British propaganda, for collapse of British Empire, for failure of Libyan campaign to produce dividends;

report Imperial dissension; prophecies of American domination of British Empire apparently intended to (a) conform to home campaign to make Germans think 'news bad with us but worse with British', (b) discredit result of Washington consultations.

"4. U-boat sinkings in Canadian and North American waters given great prominence as proving long-range capabilities of operation assuring cutting off of enemy's supply lines in all theatres of the war. Practically no news about America except sinkings and Pacific reverses, very little about Rio."

No. 218

February 5, 1942

8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I am sending you herewith copy of a brief report on the Spanish Falange in Latin-America. This was prepared at the request of the State Department.

~~CONFIDENTIAL~~

SPECIAL REPORT

THE SPANISH FALANGE IN LATIN AMERICA

A BRIEF SUMMARY OF ITS ORIGIN,
GENERAL CHARACTERISTICS,
AND SIGNIFICANCE

DECLASSIFIED
By Authority of CIA
007622
By APB Date SEP 10 1974

Prepared by the
Latin American Section
Office of the Coordinator of Information

February 2, 1942

~~CONFIDENTIAL~~
~~DECLASSIFIED~~

SPECIAL REPORT

THE SPANISH FALANGE IN LATIN AMERICA

A Brief Summary of its Origins, General Character-
istics and Significance

- - - - -

The Spanish Falange was officially founded in Madrid on October 29, 1933, by José Antonio Primo de Rivera, son of the former dictator of Spain. Soon after, on March 4, 1934, it merged with an organization of similar aims and ideals, the J.O.N.-S. (Juntas de Ofensiva Nacional-Sindicalista) and became the Falange Española Tradicionalista y de las J.O.N.-S.

Serving as the spearhead of the Franco rebellion, the Falange became, after the defeat of the Republic, the chief political instrument of the Franco government and Spain's only legal political party. From the outset, the organization, program and tactics of the Falange were openly and frankly modeled upon those of the Fascist and Nazi parties in Italy and Germany.

Of particular interest to the United States is the Falange's Servicio Exterior (Foreign Service), similar to the well-known Nazi Institut für Auslandsdeutschtum and employing the same strong-arm methods in suppressing opposition, raising money and winning recruits. Its work in foreign countries is controlled by the absolute and ruthless power of its Gestapo-like agency, the S.I.M. (Servicio de Informaciones Militares).

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Operating from Madrid through its Servicio Exterior, the Falange has for several years been engaged in an ambitious undertaking -- nothing less than the restoration of the old Spanish Empire, and hence the eventual reconquest of Latin America and even parts of what are today the United States. In this task, Spain is intimately associated with Nazi Germany. In fact, there is reason to believe that the initiative for this project emanates from Berlin and that its ultimate object is German overlordship of Latin America.

Seeking an ideological weapon which might serve as the Spanish or Hispanic counterpart of Nazi race mysticism, the Falange early developed the concept of hispanidad. This term exalts the religious, cultural and imperial spirit of fifteenth century Spain. Hispanidad pretends to embrace all, regardless of race, who speak Spanish and are linked with Spanish culture -- for example, the Indians of South America or the Spanish Americans of Los Angeles. At the same time, it is violently anti-Semitic and opposed to "foreign" ideas and institutions such as masonry, liberalism, Protestantism, socialism, and communism, approximately in this order of importance.

The hierarchy of the Spanish Church at once accepted hispanidad and thus from the beginning became an ally of the Falange. Through its intimate relations with churchmen in Latin America, the Catholic hierarchy of Spain was soon able to establish strong outposts of Spanish fascism in the Western Hemisphere.

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Franco's emissaries who began to penetrate the Latin American countries, even before the end of the Civil War, met with considerable success. As members of the Spanish family, speaking the Spanish language, worshipping in the Spanish faith and bringing with them the doctrines of hispanidad, they were able to attract many Latin Americans. This is particularly true of the ruling classes who found in the slogans and methods of the Falange a technique by which to combat democratic tendencies in their own countries.

During the Civil War and the period immediately preceding the outbreak of World War II, the Falange was also able to establish strong propaganda and operational bases in the United States. This was due primarily to the confusion that existed in American Catholic circles concerning the ultimate aims of General Franco.

However, many American Catholics understood the dangers to the United States inherent in the cooperation of the Catholic Church with the Spanish Falange. As Professor Francis X. Connolly of Fordham University wrote in the Jesuit weekly America (April 18, 1939): "If the new state of Generalissimo Franco is successful, it is very likely that all our conferences and economic blandishments [with respect to Latin America] will come to nothing and what we inaccurately call Latin America may truly become Spanish America."

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Falange propaganda directed against the United States got under way during the Civil War, despite the material benefits to General Franco of Washington's non-intervention policy. In the February 1937 issue of Fe, the official magazine of the Falange, there appeared the following: "For the America of our culture, our faith and our blood, we wish more than just living together, more than friendship.... We desire to put an end to 'Monroeism' in order to put in its place our affirmation: 'The Spanish world for the Spanish'".

The following year, in a book entitled Que es lo Nuevo?, Jose Permatin, an authoritative spokesman of the Franco government, wrote of the necessity of extending and expanding "our great Latin Christian Hispanic culture and political jurisdiction, above all, over the South American countries... If we leave Europe and take up a world point of view, we see that over in America there is most certainly reserved to seemingly weak and backward Spanish America the same noble mission of Latinity in Europe: the conversion of America to Catholicism. This will seem an impossible dream to some superficial minds. Nevertheless, bear in mind how easily the material prosperity and already low moral level of the United States have crumbled since the Wall Street crash of November 1929. Think also of this -- the United States is not a nation but a huge conglomeration of peoples and races, under the moral depression of the defeat which Japan will inflict on them sooner or later."

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On the occasion of the Lima Conference, the San Sebastian "Voz de España" declared (December 8, 1938) that the Pan American meeting was "organized by Jews and atheists so that the United States could enslave the American hemisphere." During the Panamá Conference of September 1939, "Informaciones" of Madrid declared: "When the broad river of European politics becomes a whirlpool of discord, the United States, which has always lain in ambush waiting to throw itself on the Spanish-American Republics, sharpens the claws of its ambition."

Again, at the Habana Conference of 1940, Arriba, the Madrid organ of the Falange, stated (July 22): "To all our friends in America, to all the youth of Spanish America, we send warning against these solemn conferences organized by the Pan-American Union which lives on forces already defeated all over the earth and which are after all nothing but materialism and golden slavery, under the domination of the oligarchies of Pittsburgh, Chicago, Philadelphia and New York."

Thus, from the general tenor of this officially controlled Spanish comment, it is clear that the expansionist aims of the Falange almost from the beginning paralleled Nazi and Axis policy in general. With the outbreak of World War II and the complete identification of purpose and tactic between the Axis powers and General Franco, the Spanish Falange became an increasingly important instrument of Axis activity in Latin America.

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During the spring and summer of 1941, at a time when the early participation of the United States in the war became likely, Spanish activities in the Western Hemisphere were reorganized to meet the new situation. The Falange was disassociated, on the surface, from official and other Spanish fascist organizations in order to protect the Franco government and Spanish nationals from reprisals by the United States and by the Latin American governments. Pro-Franco organizations and individuals were instructed to cover up their Nazi sympathies, even to the extent of making statements in favor of the democracies.

In line with this policy, and "independent" propaganda institute, the Consejo de Hispanidad, was formed in Madrid in January, 1941. This thinly disguised adjunct of the Falange has been actively engaged in spreading the doctrines of hispanidad abroad. In the fall of 1941 it sponsored a "cultural congress" in Madrid to which a number of key Latin American intellectuals were invited. More recently it sent a "cultural mission" to Peru where it met with considerable success.

At the same time the inner mechanism of all Spanish Fascist, Nazi, Japanese, and Italian organizations was coordinated, with central authority emanating from Berlin. In an instruction sent from Berlin via Madrid on May 4, 1941, the tempo of Spanish Fascist activities in Latin America was ordered to be increased in the following manner:

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- a. Disturbances, including coups de'etat, border complications, etc., were to be stimulated as far as possible.
- b. Disputes between Communists and anti-Communists were to be encouraged.
- c. United States intervention in Latin America was to be provoked in order to capitalize on anti-United States sentiment.
- d. A definitely coordinated military movement was to be perfected in order to be ready to move on instructions from Berlin.

Thus, through the Falange and other Spanish Fascist organizations, the Axis now controls a vast and highly integrated network, counting upon the willing or unwilling collaboration of thousands of Spanish nationals, covering all Latin America and linking up with Spanish agencies in New York and Washington. In every country where it operates the Falange maintains the closest organizational ties with the underground Nazi apparatus. To a large extent the Falange works through Catholic organizations such as the Acción Social Católica in Mexico. It is reliably reported that priests frequently direct the activities of Catholic social organizations into Spanish Fascist channels and that nuns carry secret documents from Madrid to Latin America.

The activities of the Falange are varied. It carries on the propaganda of hispanidad through the churches, Spanish settlements and conservative circles in general.

It conducts an extensive espionage service. Most important of all, perhaps, it supplies leadership and funds to domestic "nationalists" and "anti-communistic" organizations,

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such as the Sinarquistas in Mexico, which, in effect are fronts in the service of the Axis.

The Falange probably operates most extensively and effectively in Mexico, Cuba, Puerto Rico, Peru, and Ecuador. Practically every Latin American country, however, has not only its restricted secret branches of the Falange and of the S.I.H., but also a number of open and more or less disguised organizations such as the Auxilio Social, which poses as a relief organization in the United States, Cuba, and elsewhere, the Instituto Hispano-Chileno de Cooperacion Intelectual in Chile, and the Liga de Hispanidad Iberoamericana in Mexico.

The Falange maintains at least a dozen publications in Latin America, such as Arriba in Buenos Aires, Amanecer in Ciudad Trujillo, Arriba España in La Paz, Occidente in San Salvador, Nueva España in Quito, Unidad in Lima, and others. In addition the Spanish news agency "Efe" supplies pro-Axis news releases to newspapers all over Latin America and is taking over the work of German and Italian agencies where the latter can no longer operate legally.

In Mexico the Falange is particularly well organized. Every important center in the country has its nucleus of Spanish Nazis operating as branches of the Falange, the S.I.H., the Acción Social Católica, the Liga de Hispanidad Iberoamericana, or under other names. These organizations maintain excellent liaison service by means of private radio and postal communications, automobile service, a public radio

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station over which messages are transmitted in code, steamship agencies in New York, and intimate connections with the Portuguese minister in Mexico City.

The commercial leaders of the old Spanish Colony, who strongly support Franco, exert considerable financial pressure on the trading classes and persecute the owners of small industries who refuse to accept or who oppose the demands of the Falange. The Acción Nacional, a political party dominated by wealthy business and professional leaders who are faithful to the Church, is closely associated with the Falange.

The most important front of the Falange in Mexico is the Union Nacional Sinarquista. This genuinely totalitarian movement includes an estimated membership of 500,000, drawn principally from the underprivileged and disillusioned Catholic peasants in the strategically located states of Central Mexico.

Sinarquismo has both an ideological and a direct relationship with the Axis powers, and is controlled by an inner council of the local Falange. Acción Nacional and the Union Nacional Sinarquista, therefore, are integral parts of the pro-Axis machine in Mexico, and together are able to reach all classes of the people.

The chief of the Falange in Mexico is believed to be Eulogio Celorio Sordo, who is in turn responsible to Augusto Ibanez Serrano, Franco's personal representative in Mexico. Another powerful Falangista is Angel Urraza, who is head of the Mexican branch of the Goodrich Rubber Company and also of

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the Canada Dry Company. The Falange has apparently acquired large influence over the Mexican Department of Education which is headed by Vejar Vasquez, a close associate of the outspoken pro-Axis director of the National Library, José Vasconcellos. The principal propaganda agencies of the Falange in Mexico are the two reviews, Hispanidad and Reconstruccion. The organization probably also controls such other publications as the Diario Español and España, and maintains close contact with the press in general.

As in Mexico, the Falange in Cuba draws its membership principally from the businessmen in the Spanish colony, and it also apparently includes among its members some nationals of the Axis countries. It definitely works in close cooperation with the Germans and the Japanese, and maintains connections with the National Ukrainian Union, which has been working for a separate Ukraine under Germany's protection. Through this and other organizations, such as the inevitable Auxilio Social, it distributes totalitarian propaganda, carries on its camouflaged charitable work, arranges for the exchange of "tourists" between Cuba and Spain, and compiles information about Spaniards in Cuba who can help the organization. When members of these organizations are arrested, they are occasionally bailed out by José I. Rivero, editor of the influential Diario de la Marina, and who was recently awarded one of the Cabot prizes in journalism by Columbia University.

Cuba was believed to be the center of Falangista activity for the entire Caribbean area in early 1940. In the following year, however, Genero Riestra, Spanish Consul-General and an active totalitarian propagandist, made himself so obnoxious that he was forced out of Cuba, and later M. Muñoz de Miguel, Spanish Commercial Attaché, was also declared persona non grata and his recall demanded. The present chief of the Falange in Cuba is reported to be Enrique Contos of Santiago. The local chief in Sancti Espíritus, Manuel Masos, is said to have about 500 followers, but no other information about the numerical strength of the organization is available.

Since Cuba's entry into the war the Falangistas have been forced to go underground to a large extent. One of their main legal undertakings is the protection of Spanish nationals accused of subversive activities. In a number of cases, known Axis agents, arrested by the police, have been released by the courts. This is attributed to the influence of the Falange in important Cuban circles, including both the police and the army.

Puerto Rico, Gibraltar of America's Caribbean defense, is also a stronghold of the Spanish Falange. The organization includes most of the 5,000 Spaniards and their families on the island. It maintains its headquarters at San Juan, and local chapters at Ponce, Mayaguez, and Caguas. The Provincial Chief in Puerto Rico is Alberto Duran, a wealthy Spaniard; and other leaders of the Puerto Rican group have interests in sugar mills and banking. Another Falange leader is Romualdo Real, a wealthy Spanish journalist who formerly owned and still dictates the policies of El Mundo, the most important newspaper in the island, and Puerto Rico Ilustrado, an illustrated monthly magazine. The Puerto Rican Falange itself publishes two magazines: Avance, at San Juan, and Cara al Sol, in Ponce.

There are other centers of Falangista activity in the Caribbean area. During the Spanish Civil War the Falange had well organized units in Panamá. Here members wore black uniforms and exchanged the Fascist salute among themselves and with Italians and Germans. A majority of the Spanish community, composed of the leading Spanish businessmen of

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Panama City and Colón, are still Falangistas, sending large contributions directly to Spain. As late as August 20, 1941, the United States Naval Attaché compiled a list of 110 known Falangistas in the Republic of Panamá. The real director of the Falange is the Spanish Minister to Panamá, Carlos Arcos de Cuadra, Count of Bailen, and his assistant is José Luis Rubio of Bocanegra, Secretary of the Spanish Legation.

In both El Salvador and Nicaragua, Falangistas, mainly priests, have carried on anti-United States activities, though not of serious consequence today. In Venezuela, the principal Falangista organ is the weekly "Hispano-American Review," which is outspokenly pro-Franco and violently anti-United States. It is alleged to be subsidized by the Spanish Legation. The Falangista leader in Venezuela is Santos Valdéz, Spanish Vice-Consul in Caracas.

In the west coast countries of Peru and Ecuador, the work of the Falange is apparently increasing. In Peru it is supported by the newspapers La Prensa and El Comercio, and is backed by Peruvian reactionaries who have both wealth and influence. One of the leading Peruvian Falangistas is José de la Riva-Guero, former Peruvian Minister of Education and President of the Peruvian Academia de la Lengua.

In Ecuador the Falangistas quite openly reveal their tie-up with Nazism. Through the agency of a Spanish Pedagogical Mission, financed by the Franco Government, they are penetrating conservative and Catholic circles, have organized a society called Juventud Nueva to include "members

from all conservative schools and groups," are broadcasting their propaganda over station "Palomar," and are publishing articles in the pro-Nazi, anti-American newspaper El Debate, which is the organ of the Ecuadorean Conservative Party. From Ecuador, Falangista agents are extending their activities into Colombia and other countries.

Less is known about Falangista penetration into the southern countries of Chile, Argentina, and Uruguay. In Chile the "front" group for the Falange appears to be the Instituto Hispano-Chileno de Cooperación Intelectual, founded in 1939 by a group of Franco sympathizers and including among its leaders distinguished lawyers, professors and politicians. It should be noted that the group known as the Falange Chilena is a pro-United States group, not related to the Spanish Falange. In Argentina, the Falange works under close supervision of the powerful Nazi organization and maintains cordial relations with a part of the clergy. The Argentine branch of the Falange is said to have some 15,000 registered members.

The Falange also has some strength in Uruguay, where it is supported by the Partido Union Nacional, of which Dr. Mario Rossi is president. The pro-Axis El Debate of Montevideo openly supports Falangista activities, as does El Diario Español and La Tribuna Popular, organ of the reactionary opposition leader Blanco. In Brazil, however, which has Portuguese rather than Spanish cultural affinities, the Falange thus far seems to be a negligible factor in pro-Axis intrigues.

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The over-all picture of Spanish Fascist activities in the Western Hemisphere reveals not only the extensive and far-reaching penetration of a scarcely camouflaged Axis political machine, but also indicates the significant role now played by Spain in the Latin American strategy of the Axis powers. Since December 7, Germany, Italy, and Japan have lost nearly all their legal bases of operations in the Americas. Spain, however, the "non-belligerent" ally of the Axis, now serves the Axis as a perfectly legal fifth column, since it maintains normal relations with all the nations of the hemisphere, with the exception of Mexico.

Hence, some of the gains achieved by the United States at the Rio de Janeiro conference are to a certain extent nullified by the continued operation of Spain's highly developed apparatus for propaganda and espionage, still functioning with a minimum amount of restraint. Whatever advantages may be involved in the present normal status of diplomatic relations between Spain and the American nations, including the United States, must be weighed against the obvious threat to the security of the western hemisphere represented by the relatively unrestricted activities in this area of the Falange and related organizations.

Donovan to FDR
218 2-5-42



No. 219

February 5, 1942

8:30 A.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I am attaching several copies of our
Philippines leaflet, which have gone by
bomber today.



TO THE PEOPLE OF THE PHILIPPINES:

On December 7, 1941, armed forces of the Japanese empire attacked and besieged the Philippine Commonwealth. The attack was well planned, for the purpose of conquering a vast Asiatic empire which the Japanese militarists would own, administer and use for their sole benefit. You know how these men of Japan rule the peoples they have conquered. They will never relinquish what they have seized except by force.

The Japanese have brought misery and slavery wherever they have gone. The only independence left to the people they have conquered is the independence of death.

No people who are firm in devotion to God can compromise with them.

★ SA MGA BAYANI ★ NANG FILIPINAS: ★

Nuonng ikapito nang Diciembre ang mga sundalong Japones ay inusog ang gobierno nang Filipinas. Ang atake ay maingat na plano upang ang Japon maguing puno nang lahat nang Asiatiko at gamitin ang gayon sa kanilang hangad at hangarin. Talastas ninyo kung pano ang tratamiento nang mga Japon. Kung hindi sa pamamagitan nang guiera ay di nila ibibigay and kalayaan nang mga tao.

Maski saan magtangumpay ang Japon ay kahirapan ang kanilang idinuldol sa mga kataohan. Ang kalayaang natitira sa lahat ay ang kamatayan.

Walang taong sasamba sa Panginoon na magbibigay sa kanila ng tulong. Ang mga Japon ay gagamit nang

PUBLISHED BY THE UNITED STATES OF AMERICA

ITINUDLA NANG BAYANG ESTADO UNIDOS NANG AMERICA



Your Freedom Will Be Redeemed
Tutuparin namin ang inyong KALAYAAN



U. S. Is Building 60,000 Warplanes
60,000 aeroplanos ang gawa ng America



U. S. Builds Schools
Nagtatayo nang PAARALAN ang America



Japan Burns Them
Sinusunog ang lahat nang Japon

The Japanese will use every weapon and every trick to gain their ends. Just as you, the brave people of the Philippines, have fought so gallantly to repel the invader, so must you now steel yourself against their lies and deceptions.

The world will long remember what you, the people of the Philippines are doing, and have been doing, since this war began. I renew my solemn pledge to you that your freedom will be redeemed and your independence established and protected. The entire resources, in men and material, of the United States have been mobilized behind that pledge.

Stand firm, people of the Philippines, your day is coming.

Franklin D. Roosevelt

★ lahat nang paraan upang sila ay manalo. Ipinaglalaban ninyo ang Filipinas.
★ Ngayong huag kayong makikinig sa kaniyang kasinungalingan at pangako.

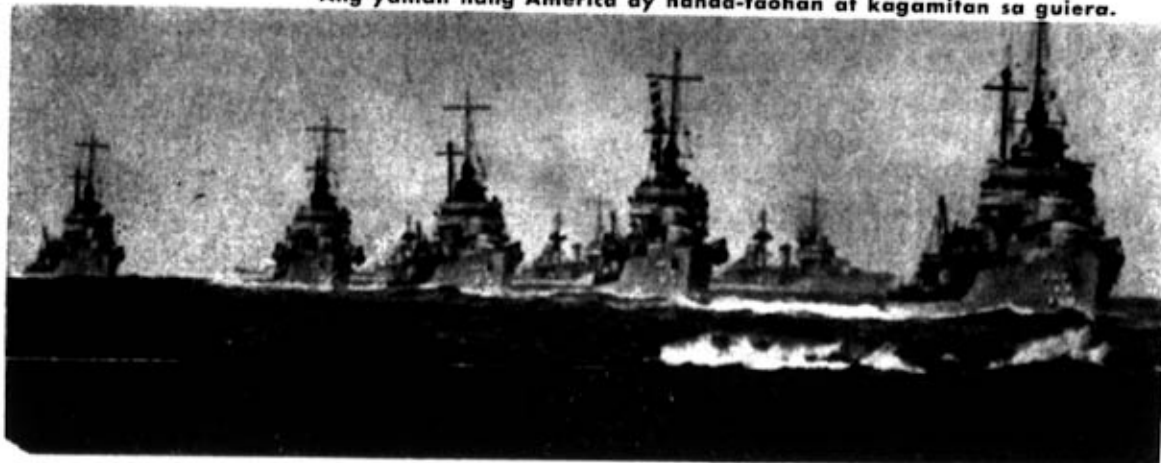
★ Ang buong mundo ay lagui nang aalalahanin ang inyong dakilang paglaban upang inyong masakip ang kalayaan. Ipinapangako co sa inyo nang
★ buong puso na ang inyong kalayaan ay aking ipagtatagumpay hangang kayo at
★ ang inyong mahal na bayan ay malinis nang mga taksil. Ang kayamanan ng
★ America, tao at kasangkapan, ay iniha-
★ handa co upang matupad ang aking pangako.

★ Magasa kayo, Bayani nang Filipinas, ang araw nang kalayaan ay dadating!

★
★ *Franklin D. Roosevelt*

The entire resources, in men and material, of the United States have been mobilized.

Ang yaman nang America ay handa-taohan at kagamitan sa guera.



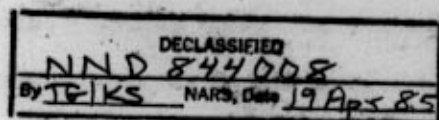
February 5, 1942
12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The attached is a copy of an intercepted communication from Geneva, addressed to the New York Times and the New York Herald, November 14, 1941.

The writer claims to have procured a document of extreme importance signed by General Gamelin, which throws a new light on the military events on May, 1940 in France and Belgium.



"It concerns an order that General Gamelin, Chief of Staff for National Defense and Commander-in-Chief of Land Forces gave to General Georges, Officer-in-Command of the North-Eastern Front and to General Vuillemin, Officer-in-Command of the Air Force, on the morning of May 19th, whom he had gone to join at the former's post of command.

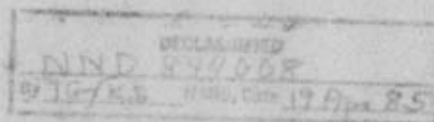
"Although General Gamelin's official position was one merely of coordination, he saw the necessity of intervening personally, having understood the gravity of the situation which was not fully realized.

"It will be remembered that during the days of the 13th and 14th, the Germans, concentrating powerful forces, notably in the air, had forced passages through the Second French Army Division on the Meusa Front at Sedan, and through the Ninth around Dinan. And that they threw into the breaches made in this manner, seven out of ten armored divisions that they had at their disposal on the Franco-Belgian frontier. The forces pushed forward in the direction of Gambrai and Peronne, that the advance column was due to occupy on the 20th. On the 19th the distance between Arras where the French forces fell back and where they reassembled on the Somme was only fifty kilometres. On the other hand the German armored

divisions were only followed up by three motorized infantry divisions, thus finding themselves in a dangerous situation, having advanced the main German infantry divisions by several days; this main army had only reached the Brussels-Charleroi front and were closing down along the Meuse between Namur and Sedan. There was one opportunity to sieze, but it was necessary to act quickly. This was the purpose of General Gamelin's order.

"Unfortunately General Gamelin was relieved of his duties late in the afternoon of the 19th. His departure caused confusion in the Inter-Allied Cooperation organization. The British were pledged to execute his order. On May 21st his successor again took up his plan. But it was necessary for representatives of the governments to meet, which could not be done until the 22nd, and it was only by the 26th that one could hope to reorganize the battle. By that date the Germans had reached the sea between the Somme and Boulogne, and the main German infantry divisions had arrived. The opportunity was lost.

"If General Joffre had been relieved of his duties after Charleroi, would France have won the Battle of the Marne?



No. 1012

CAB/FT

19th May 1940 - 9.45

PERSONAL AND SECRET INSTRUCTIONS NO. 12

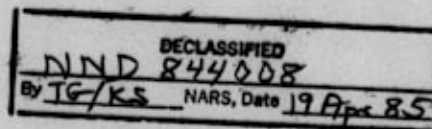
GENERAL GAMELIN to

GENERAL VUILLEMIN, Officer-in-Command of the Air
Forces

GENERAL GEORGES, Officer-in-Command of the North-
Eastern Front.

"Without wishing to intervene in the conduct of the battle now being waged under the command of the Officer-in-Command of the North-Eastern Front, and approving the steps he has taken, I consider:-

- 1) It will be possible, during the operation, to extend the front line of our Eastern Armies and those covering Paris, to the west; and to maintain the juncture with the G.A.I.
- 2) With regard to the G.A.I., instead of allowing them to be encircled, we must take a great risk, on the one hand of opening the route to the Somme if necessary, and on the other hand of throwing special mobile forces at the rear of the German Panzer divisions and the following motorized infantry divisions. It appears that behind the first column there is actually a gap.
- 3) Prepare for an offensive in the direction of Ponts de Mezieres with all the means at your disposal. (See writer's note at the end).



4) French and British air forces should aim at taking part in the battle.

With regard to advancing maintain masters of the air on the G.A.I. front, and protect as far as possible the front line. With regard to bombardment, attack the German mobile columns moving eastwards taking them in the rear and follow them up eastward in their own tracks.

This action should be felt especially by the south group of the Panzer Divisions.

Lastly, at a given moment, be ready to support the action of the Second Army.

During the pauses, attack the bridges of the Meuse by bombing and magnetic mines (mines fluviales).

5) The whole thing is a question of hours.

(Signed) GENERAL GAMESLIN.

WRITER'S NOTE to paragraph three in cover addressed to New York Times:- "'By the Second Army, with which the right wing of the Sixth Army should 'join up'.

"'The transcriber could not say for certain if the original text of the order ran: The right wing of the Sixth Army as written above, or the right wing of the Fourth Army!"

*Copy made &
given to STZ*

No. 221

February 5, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

In John Buchan's "A History of the Great War" there is found the following message from Field Marshal Kitchener which each member of the First British Expeditionary Force carried with him when he left Britain for the Continent in August, 1914:

"You are ordered abroad as a soldier of the King to help our French comrades against the invasion of a common enemy. You have to perform a task which will need your courage, your energy, your patience.

"Remember that the honor of the British Army depends on your individual conduct. It will be your duty, not only to set an example of discipline and perfect steadiness under fire, but also to maintain the most friendly relations with those whom you are helping in this struggle. The operations in which you are engaged will, for the most part, take place in a friendly country, and you can do your own country no better service than in showing yourself in France and Belgium in the true character of a British soldier.

"Be invariably courteous, considerate, and kind. Never do anything likely to injure or destroy property, and always look upon looting as a disgraceful act. You are sure to meet with a welcome, and to be trusted; your conduct must justify that welcome and that trust. Your duty cannot be done unless your health is sound. So keep constantly on your guard against any excesses. In this new experience you may find temptations in wine and women. You must entirely resist both temptations, and, while treating all women with perfect courtesy, you should avoid any intimacy.

"Do your duty bravely.

"Fear God.

"Honor the King.

"Kitchener, Field-Marshal."

It may be that you would want our boys to be furnished with a similar message.

THE WHITE HOUSE
WASHINGTON

February 9, 1942

MEMORANDUM FOR

COLONEL DONOVAN

Inform State Department.

F. D. R.

No. 222

February 6, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have received information that the Japanese Council in Spain have made arrangements, with the consent of the Chief of the Falange Overseas Propaganda Department, secretly to use the Malaga Broadcasting Service. This operates to South America on Thursdays and Saturdays on 20 metre (14,440 kilocycles) under the direct management of the Falange party.

We are also informed that the Japanese are prepared to subscribe 10,000 pesetas per month for these facilities.

No. 223

February 7, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

REPORT ON PROPAGANDA WARFARE DURING WEEK ENDING FEB. 6, 1942

This report concerns Axis broadcasts for the week ending Friday, February 6, 1942, and is based on:

1. Monitoring reports of the Federal Communications Commission.
2. Available information from the British Broadcasting Corporation Monitoring Service.
3. Reports of the Columbia Broadcasting System's short-wave listening station and National Broadcasting Company's listening post.
4. Independent listening by the staff of the short-wave intelligence unit of my office.
5. Analysis of other available news from Axis sources.

The damaging effect of Japanese propaganda, of course, can be extensive. It is particularly effective since our newspapers print it word for word, on their front pages, and our radio stations retransmit it verbatim.

JAPANESE PROPAGANDA FOR THE UNITED STATES

From the evidence so far observed, Japanese propaganda seems unlikely to develop any new or subtle techniques to attack the hearts and minds of the people of the United States.

Japanese propaganda seems to be hurtful in its first and direct phases, just as an explosive bomb might be hurtful. Like Italian and German propaganda, it aims to blast our resolution and our unity. It seeks to shake our trust in our government and ourselves. It creates confusion and anxiety. It spreads defeatism and uncertainty.

But it fails to engender the continuing, corrosive deterioration of the Democratic soul, which German propaganda, and in a lesser way Italian propaganda, has shown itself able to effect.

So far, Japanese propaganda has offered nothing to attract the weakest among us. It can injure, but it cannot corrupt.

Japan's participation in the Fascist Revolution vis a vis the United States seems limited entirely to the imperialistic and nationalistic spheres. Japan is a tool of the Fascist Revolution (or so it would seem from analysis of its propaganda), rather than a part of the revolution per se.

The damaging effect of Japanese propaganda, of course, can be extensive. It is particularly effective since our newspapers print it word for word, on their front pages, and our radio stations rebroadcast it verbatim.

JAPANESE PROPAGANDA FOR ASIA

There appears to be almost no relationship between Japanese propaganda for home or Asiatic consumption and that for listeners overseas. Every hour we note the surface differences. The home audience hears the war may last 100 years. The overseas audience hears that Japan's enemies already are virtually done in. The home audience hears that Japan's war material is running low, and that even successful conquests cannot bring sufficient loot to insure final victory. Overseas listeners are told that he who rules the tropics must rule the world.

There is a more fundamental difference in appeals. "Asia for the Asiatics" sounds like soapbox jingoism. The Japanese make it a sacred promise to the inner consciousness of Orientals. "Co-Prosperity Sphere" has a hollow ring. We know who intends to prosper, and perhaps, so do the Asiatics. But in the words of a far eastern sage, "A fish about to be fried has little preference whether he be fried in lard or butter".

(Our Planning Board has constructed a program for broadcasts to Japan, and is working on similar projects for other parts of the Far East. We are sending one complete news report daily by morse code to Chungking and another to Batavia. They are received and distributed to newspapers, radio stations and press associations by our representatives. In Chungking, our reports are a major source

of news: in Batavia a supplemental source.)

RADIO TOKIO TURNS THE CLOCK BACK

It has been obvious for months that Radio Tokio was conducting its short-wave propaganda under the tutelage of instructors from Dr. Josef Goebbels' School. There has been the same disregard for facts, the same speaking with many tongues, the same short-term blitz methods to achieve today's objectives today and let the truncheons take care of the future.

There has been, particularly, the same devotion to shibboleths, and over-simplified statements of objectives. For example, German news broadcasts all used to end with the words, "Germany fights for the rectification of an injustice (the Treaty of Versailles), the others fight for its continuation". The sign-off has, of course, been dropped since July, 1940. If the fall of France hadn't outmoded it, the active participation of Japan, which benefitted from the Versailles Treaty, would have.

However, this week, Japanese broadcasters evidently were reading out-of-date Goebbels textbooks. Our monitors, taking Tokio broadcasts, recorded several passing references and one long propaganda talk on the theme - "Japan has joined her Axis partners in this war, which is devoted to the smashing of the Treaty of Versailles".

SIGNS OF TENSION AMONG AXIS PROPAGANDISTS

In propaganda about Singapore and Libya there were signs of tension between Berlin and Rome and Tokio propagandists this week. Quite naturally, each tooted his own horn loudest about his own military victories. The Germans stressed that General Rommel was leading the Axis to tremendous victories in Libya. The Italians accented their own part in the Libyan drive, and referred less often than previously to their "noble comrades in arms" of the German army.

There is, incidentally, good reason to suspect that Japanese success in Asia and German defeats on the eastern front made such a sorry propaganda pattern for the Nazis that it influenced the decision to reinforce General Rommel at whatever cost.

The German radio for several weeks previously had been giving its greatest attention in news broadcasts to the Japanese victories. But this week, even the impending siege of Singapore got shorter shrift out of Berlin than less spectacular Japanese advances of previous weeks. Indeed, Berlin stressed that the fall of Singapore would by no means signal the collapse of Britain and the United States in the Far East.

The Japanese, in their treatment of General Rommel's advance, represented it more as indication of British impotence than of

German night. There was great attention paid by Radio Tokio to stories of dissension among British, Australian, and Indian troops in Libya.

MILITARY EXPERTING VIA AXIS RADIO

One day this week, Vichy radio got on the air with a short-wave bulletin to the effect that "Japanese troops have stormed the causeway to Singapore, and are fighting in the city."

A few hours later, a Radio Tokio military broadcaster explained how Singapore would be isolated when the Japanese "cut off the causeway leading to the mainland". The only oddity was that the British had announced much earlier that day that they, themselves, had destroyed the Singapore causeway.

On a short-wave broadcast from Rome, a military commentator said that the United Nations' raid on the Japanese convoy in the Maccasar Straits had never taken place. Later in the same program, it was announced that the Japanese had really lost only two ships in the raid.

No. 224

February 8, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a cable message just received from our man in Cairo:

"I have just returned from four days in Teheran and a viewing of projects in Basra Area. The work has not yet entered the phase where large delays usually occur, though theoretically all communication and supply projects are on schedule. If work begins to lag, the Wheeler Mission is prepared to bolster the British, but I believe there are bound to occur some disappointments. The race is against time, and the odds are slightly against U. S. military weakness. British here are not optimistic, and this entire area is obvious to all. If the Germans attack in the Spring, both the Iranians and Iraqi are convinced nothing can stop them, and they will help the invader.

"If this should happen, present situation on desert and in Far East is weakening prestige of the British. In Iran just now the Americans are very popular, but there is running high an Anti-Russian and Anti-British feeling. I recommend

strongly that consideration be given seriously to the relief of the serious shortage, prevalent in all Near East countries, of essential consumer supplies and medical supplies. A very serious crisis will arrive in two or three months as prices of necessities are mounting beyond the ability to pay. It will soon become essential to military security to take care of basic civilian needs. In spite of denials, the Russians in North Iran are spreading communistic propaganda, but they are handling mass sentiment more adeptly and also are bringing in more wheat than the British."

No. 225

"1. Petain would prevent and sabotage February 8, 1942

towards resuming the struggle against Germany in No 6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a message received from our London office today:

"1. DeGaulle's foreign minister De Jean, has unofficially submitted to us the following analysis of the American attitude toward Vichy, in which he argues thus:

"2. The French peoples' spirit of resistance, not Vichy, has prevented the French fleet from falling into the hands of the Germans. Therefore, the main purpose of the United Nations' policy should be to build up the spirit of the French people, not to support Vichy. This spirit is symbolized by the Free French. Therefore, the French people are disheartened by our distrust of and failure to support the Free French.

"3. The fact that Hitler "tolerates" the presence of the American Embassy in Vichy proves that he finds its existence useful.

"4. Petain would prevent and sabotage any effort towards resuming the struggle against Germany in North Africa.

"5. There are many indications that French West African ports, including Dakar, are being used as German submarine supply bases. They are also building many airfields there for heavy bombers, obviously for long distance raiders of the Luftwaffe. (The British seem to have no evidence that these ports were used as enemy submarine bases).

"6. Tunisia is supplying the Axis armies in Libya, which explains Jacquet's resignation. Vichy is covering the rear of the Axis armies in Libya while Hitler retains his option over French Africa.

"7. In France now, there are 'active, numerous, and well-organized communist groups'. After the war, 'bitter clashes between the communists and the remains of the Vichy regime' can be avoided only by the spirit of the French people as a whole, kept alive by faith in the Free French represented by DeGaulle."

No. 226

February 8, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a message from our London office regarding the dropping of leaflets:

"1. On February 5, at 2200, the Athlone, Ireland, Radio, broadcasting on 531 meters, announced in Irish Gaelic for Eire that Early said more American 'bombs' were dropped on France.

"2. It is possible that the Gaelic words BILLEOGA, meaning leaflets, and BUILLEOGA, meaning bombs, may have been confused in monitoring.

"3. The announcement also quoted Early as stating that three-fourths of the 'bombs' were dropped over Saint Nazaire, Brest, Cherbourg and three other cities.

"4. We have been unable to discover from any source available here, that the actual names of the cities on which the leaflets were dropped were announced by Early.

"5. We point out that at no time should the names of these cities be released in America for publication. Air Commodore Groves furnished us the names on behalf of PWE and they should be kept secret for military operational reasons."

No. 227

February 8, 1942

6:00 P.M.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following is a report from our London office representing the British Home Intelligence summary for the week ending February 2:

"1. Though Churchill's speech strengthened public confidence throughout the country in ultimate victory, there is still little change. There is a little greater anxiety over the Far and Middle East immediate war situation. The continued success of Russian Arms is another important factor.

"2. The debate in the House of Commons was generally considered to be salutary. Opinion is split, however, as to whether it aided the war effort. The majority resented the opinion that Churchill was forced to add to his burdens the strain of debate, but the minority felt that frank criticism in the House was rendered ineffective since the vote of confidence in Churchill likewise infers a similar vote in the government. The great majority feels the debate is already producing results, and the overwhelming

vote 'Behind Prime Minister to a Man' gave genuine pleasure to the public.

"3. Libya. The advance of Rommel was profound disappointment and shock to the public, who were not prepared for such a remarkable comeback. With two-thirds of his strength supposedly wiped out they cannot comprehend how so much more strength was gained. There is a feeling that the British were caught napping again and outgeneraled, and expressed doubt over reality of Mediterranean and air control over Libya.

"4. Far East. It is now generally believed that Singapore will be lost. MacArthur's stand which is of U. S. troops being 'made of stern material', the American-Dutch attack in Macassar Straits of a convoy and Churchill's confidence have all relieved the great anxiety.

"5. Australia. There is a renewal of criticism to the effect Australia is squealing. It is believed by some that the invasion was postponed by Macassar fight.

"6. There is a very fervent and deep feeling of 'Thank God for Russia'.

"7. Arrival of U. S. troops in Northern Ireland was generally welcomed, but there is much speculation on possible intervention of Ireland in event of invasion by Nazis, on

taking over southern ports and a possible total occupation of Ireland. There was contemptuous amusement and anger provoked by DeValera's protest.

"8. Films. The March of Time showing the results of New Order came to New York and made a grand impression. The newsreels of Russia were very enthusiastically received.

"9. BBC marked decrease in complaints at minimizing bad news. The postscript of Quentin Reynolds addressed to Joe Smith disappointed. His line of addressing a single person was considered overdone and reference to 1945 shocked and depressed.

"10. Industry. There are continued complaints on managerial disorganization, wasted man-power and limited output, and also unexplained holdups and the workers slacking. That production is not nearly satisfactory is a widespread belief.

"11. There is criticism caused by shortage of day nurseries, difficulties in shopping, high munitions wages in contrast to low service pay, and transport delays. There is little grumbling over the rationing of food. American canned goods are now very popular though they were not trusted at first. The tins are thought to be too large, causing waste. They want more information on how to cook this canned food.

No. 228

February 8, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following report from our London office comes from the Ministry of Economic Warfare Propaganda Digest:

"1. There is beginning to come to the minds of thoughtful Germans the shadow of the capacity of production in America. There is a desperate need to keep up German production at all cost and they are going to transfer to Germany from France entire staffs of workers in the metal industry. There is a strict curtailment of civilian services and production, stricter rationing of skilled labor to war facilities and orders are being concentrated with the most efficient manufacturers, hoping to cause an automatic shift of supplies to them and to increase production.

"2. As part of the campaign to release further labor many textile factories will be shut down in 1942. They are desperately short of raw materials for this industry.

"3. Nazis are endeavoring to get labor from Esthonia as well as recruit 'volunteers'. Administrative personnel

has been sent to Russia and laborers are forced to work in Germany.

"4. Perhaps not in Germany itself but probably in German Europe there will be made further cuts in rations of edible fat.

No. 229

February 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following information was taken from private correspondence received from an American citizen in South America. The writer is a competent and reliable observer. The date of the communication is January 21, 1942.

"I take advantage of my having come to Rio to send you some notes on my first observations in Argentina where, as you know, I spent the latter part of December and the beginning of this month.

"The 'state of siege' which was declared in Argentina immediately after the entry of the United States into the war is, in the opinion of every local person with whom I discussed it, a matter of internal policy and the stated reason for its proclamation, namely, to enable Argentina to live up to its Pan-American obligations, is not seriously regarded by anyone. The overwhelming majority of the population is pro-Ally and resents the foreign policy of the government. Some observers put the percentage of pro-Ally support as high as 90% for Argentina as a whole. It was

to enable the government to suppress, as far as possible, manifestations of this sentiment that the state of siege was declared, for the government feared that around public demonstrations of support for the United States and England forces might be rallied which would seek to change the government by capitalizing existing resentment against its foreign policy, its failure to oust Von Thermann following the recommendations of the Argentine legislature, and its interference in the provincial elections in Catamarca and Buenos Aires.

"An indication of the real value of the declaration that the state of siege was to enable Argentina to keep its Pan-American commitments is to be seen in the fact that the decrees forbid comments about the activities not of the 'totalitarian' powers but of the 'belligerent' powers. Nevertheless, the state of siege has worked to reduce somewhat the effectiveness of the Nazi propaganda in that the more violent attacks on President Roosevelt and the United States have ceased. During my stay in Buenos Aires Nazi propaganda was directed primarily at influencing Argentina's position at the Rio conference. It sought to achieve the following objectives: retention of Argentinian neutrality; no military cooperation (bases, staff-talks, etc.); political cooperation on as limited a basis as possible.

"In recent months, in fact, this has been the chief aim of Nazi activity in Argentina -- to work against Argentinian participation in Pan-American affairs. Instead, the Nazi propaganda proposes Argentina should take advantage of the coming New Order in Europe to free itself from its financial enslavement to England and prepare itself for a more mutually profitable economic relationship with Germany. In anticipation of this, Argentinians are urged to do away with their corrupt and outmoded democracy and establish a totalitarian regime in Argentina. With this is coupled the suggestion that thus may Argentina be enabled to achieve its 'manifest destiny' of South American hegemony.

"The agencies handling this campaign are the familiar Transocean, Stefani and a weekly news service in Spanish put out by the German embassy, supplemented by cash payments. German residents are urged to read the various Nazi publications and literature in public places and to leave them for others to pick up -- on train, bus seats, in parks, etc.

"The chief propositions invoked by the Nazis are these:

"1) It is impossible for Argentina and the United States to cooperate economically to their mutual advantage because Argentina's exports compete with American agricultural production and American manufactured goods are beyond the reach of the limited purchasing power of the Argentinians; on the other hand, Germany and Argentina can do business to each

other's benefit as their trade relations before the present war have already been demonstrated;

"2) Pan Americanism is only a disguise for the coming American imperialism and, in Argentina, the United States' only interest is to preempt the place of England as the dominant foreign power in Argentina, thereby keeping the latter economically in a permanent colonial status;

"3) The United States has been traditionally unfriendly to Argentina -- witness the arbitration award made by Grover Cleveland in favor of Brazil in the Misiones question of 1895. This was an unwarranted interference with the 'manifest destiny' of Argentina above referred to.

"4) The even lower purchasing power of Argentina's neighbors makes economic cooperation of independent South American countries impracticable; only under Argentinian leadership can progress be achieved;

"5) The whole record of the United States in the first World War and after, and in this war, shows that America's real concern is with economic advantage exclusively and not with democracy and liberty.

"Much of the effectiveness of the Nazi propaganda in question of economics stems from the fact that the Spanish-language dailies have no financial page and not one independent Spanish-language financial magazine is printed in Argentina.

Consequently, there are no ready refutations available to the general public of even the most absurd stories circulated by the Nazi press. Thus, in April, 1941, the secretary of an importer's association stated publicly that U.S. exports to Argentina during 1941 were running ahead of U.S. purchases from Argentina. The Argentine trade figures proving the contrary had been published and economic reports are issued regularly, but this and similar misstatements are possible and go unchallenged because practically no newspaper publishes the statistics.

In pursuance of the theory of Argentine hegemony, the Nazi press urges that South American countries bring their political and territorial problems to Argentina since these countries are too undeveloped to decide their own course intelligently and too weak to carry out their own decisions unaided. This line is intended, on the one hand, to stimulate Argentine nationalism and, on the other, through quotation in the press of other South American countries, to promote friction on the continent.

An interesting detail is the problem of where the Nazi press in Argentina is currently getting its newsprint. A few days after I arrived in Buenos Aires, one of the independent newspapers ran a story on the subject, saying that it had investigated the matter very thoroughly and was in a position

to announce definitely that El Pampero, the leading Nazi daily, had only 8 more days' supply of paper, after which it would have to suspend publication, since British and American firms had finally refused to supply it. The eight days came and went, and when I left Buenos Aires, El Pampero was still appearing; one report had it that its newspaper stock was being bought in Chile, where it was packed in casks and shipped to Argentina as Chilean wine to dodge the control of the black-list.

"Newsboys in Buenos Aires generally announce el Pampero first in the string of papers which they have to sell. The explanation is that the Pampero is sold to them for much less than the standard rate of the other papers and is in some parts of the city given them free. Consequently, the newsboys earn more from the sale of El Pampero than from that of other papers and they are, therefore, interested in promoting its sale."

February 9, 1942

12:00 Noon

Transylvania to both Hungary and Rumania after the war.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the line now being carried by B.B.C.

"1. Stress the fact that the Russian reconquered area is the size of Germany east of the Elbe.

"2. Avoid blaming the British retreat in Libya on the weather.

"3. Emphasize Asiatic-African solidarity with Allies using:

"a. News from Egypt

"b. The increasing difficulties the Axis agents are having in Arabia owing to their expulsion from Egypt.

"c. Fact that Haille Selassie has offered a brigade of troops.

"4. Emphasize lack of solidarity in the Axis.

"a. Resignation of the Rumanian chief of staff is rumored.

"b. Fact that Germany has unscrupulously offered

Transylvania to both Hungary and Rumania after the war.

"c. Need for sending Goering to Italy to obtain more soldiers and laborers.

"5. Stress the Air Ministry's denial of the 'no bombs' pact with Germany, and the promise of a big offensive when sufficient supplies are obtained.

"6. Concerning Norway-Quisling, use this slogan 'query: When is a king a communist? Ans: When he opposes the Nazis'.

"7. Emphasize the attacks the Italian press launched on the Vatican when the Vatican exposed German paganism.

"8. Emphasize the appeal of the Anglo-Soviet trade union delegation to the occupied countries to slow up and sabotage the German war effort."

No. 231

February 9, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a report from our London office:

"1. The home propaganda of the Nazis is now stressing the demand on the German people of increased sacrifices and production. It is suggested that greater supplies of foreign labor, even forced labor, should be obtained by Germany.

"2. Visavis Russia, the line is 'Worst is over, spring is coming, but there is still bad to come'. A connection is anticipated with the German spring offensive, Schlagen (smash), is consistently used instead of Besiegen (conquer). The story that no significant German retirement occurred is maintained."

No. 232

February 9, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the course pursued by the British P.W.E. during the past week:

"1) Policy: It is unnecessary to discuss relative importance of Pacific and European wars. Population of Europe should not be told they will have to wait longer for liberation.

"2) Strategy: (a) The Russians may be carrying out a pincer movement threatening Orel.

(b) No speculation as yet on possible result of Russian threat to Donetz front. Ridicule Hitler's statement that he has passed successfully from offensive to defensive in Crimea.

(c) Exploit implications of Hitler's remarks that the extreme cold dictated change.

(d) Say loss of-Benghazi was due to Rommel's reinforcements being sent at expense of Russian front.

(e) Stress Germans retreating in Russia are strafed by superior Russian air force and are paying dearly for diverting part of Luftwaffe to Libya.

(f) Emphasis Japanese successes were expected but will prove temporary. Indicate Japanese losses of Macassar Straits constitute omen of future. Stress that life line of inadequate and vulnerable shipping is dispersing Japanese forces.

"3) Propaganda: Germans have been exploiting British embarrassments in their propaganda. Follow Churchill's line in candour and bear in mind:

(a) In the present tide period of consolidation we are building up striking power. Co-ordination of Anglo-American production is outward visible sign of what is being done.

(b) Hitler also needs consolidation before the spring offensive to which he has committed himself. Contrast his increasing production difficulties with our increasing opportunity.

(c) In dealing fully with Far East, don't give impression that we are diverging our

thoughts from Europe. We must not let it be thought we are leaving Europe to Russia.

(d) Strong importance of Britain to Europe should be brought out as: (i) Link between Europe and America through whom American resources can be brought to bear against Germany, and

(ii) center of movement for liberation of Europe since summer of 1940.

February 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is the British Ministry of Information directive for the week ending February 12, 1942:

"a. Once the Japanese establish a bridgehead on the Island, Singapore will probably be unable to hold out, and with Burma Road threatened and also approaches to India, if Salween River is crossed by Japanese, it is most inadvisable to make any short term predictions, but rather long term confidence determination should be stressed.

"b. Nonrepresentative Australian papers should be countered by wider coverage by the Empire press, because of serious damage caused by quotations. The more sober opinion also counter a too widespread idea that British forces are not participating in operations in the Pacific. Their troops compose 25% of all at Singapore.

"c. If Singapore and Burma Road are lost, serious consequences may result, since there are signs of loss of Free China morale. China should be treated as our equal

partner. We should not exhibit any differences of opinion on matters which concern her vitally, but rather pay compliments and indicate a determination to assist in wide publicity in Far East and other places. Do not let reports of victories of China distort overall strategic view when stressing the part played by them in Burma and Singapore defense.

"d. Advance of the Russians in the South is most important. It bars one of the two routes to oilfields in Middle East and Caucasus and strikes at the bases which Germany hopes to use when beginning Spring offensives. It is doubtless the case that the Germans are unable to withdraw enough troops as long as there is Russian pressure to fit them for the offensive in the Spring.

"e. Libya It should not be assumed that Rommel will be halted at the Egyptian border. Large stores of British material were lost in the triangle to the south from Benghazi. Rommel has received considerable reinforcements. It now becomes clear that his campaign is part of the general strategy of Germany to force Britain to withdraw from the Middle East to the defense of Egypt, which would leave that area open to the offensive in the Spring by Nazis. Therefore, the English cannot oppose Rommel in the Middle East by the use of great superiority. Their inability to stop all reinforcements to Tripoli is explained by the immense demands made on their Navy.

"f. Egypt Since Pro-Nazi advisers are influencing King Farouk, the WAFD government is considered an advantage by the British even though it is anti-British by tradition. This government has wide popular support, dislikes palace politics and is expected to live up the Anglo-Egyptain treaty of 1936 faithfully. The Crisis is not caused by defeats in Libya, but by internal Egyptain politics. The English renounce the idea she is engaged in local politics, maintaining her sole interest is in constitutional position.

"g. Ireland Linking the presence of American forces in the north of Ireland with the situation in the southern part of that country should be avoided. Also avoid comments of possible danger of neutrality of Ireland."

No. 234

February 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a message from one of our men in London, dated February 6, 1942:

"I am informed by Colonel Billotte, who is DeGaulle's war minister and head of his Deuxieme Bureau, that the Russians are urging DeGaulle to accept Russian recognition as the 'head of the French Government'.

"Billotte tells me that his secret services in both unoccupied and occupied France have furnished information, about which DeJean has already told me, that the 'State Department's attitude is bewildering Frenchmen everywhere, and discouraging their resistance to the Germans'.

"These services also inform him that the Tunisians are strongly pro-British and pro-Free French, the authorities and the people of Morocco are in sympathy with the Americans, and the Algerians tend to be pro-Vichy.

"His version of the St. Pierre-Miquelon incident is that when it was learned that Washington opposed the move, Muselier was given instructions to abandon the project.

These instructions were renewed and quickly carried out when DeGaulle received word that the Canadians were going to land on the islands."

No. 235

February 9, 1942
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I have your note about the report from Berne No. 390, February 4th, and have obtained a copy from the State Department.

You may be glad to know that we have arranged for one of our men, Paul West, to have his headquarters in Lisbon to handle such matters as are suggested here. However, the cable offers several ideas of which we can take advantage.

I should also like to tell you that I have had a long talk with Leland Harrison and we have made arrangements along the S.I.S. lines.

No. 236

February 9, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Frank Knox has given me your message concerning the independent command of the air, sea and land raiders. You know that I am grateful for your confidence. I have been working out some proposals, so when Frank returns it can be submitted to you.

In the meantime, I am trying to "cinch-up" everything here. The various projects are getting under way. I have given a great deal of thought to the man to come in here. It occurred to me that you would like to have Frank McCoy do it -- but I think that is out of the question, because he feels his age could not stand the pressure. I want to get someone who will have your confidence. I would like to get him in here with me for a couple of weeks, and in the meantime, while we are working out the other plans I can keep this going. Jim knows some men I would like to get hold of.

No. 237

February 10, 1942

8:30 A. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Here are three little booklets prepared by our
Near East Section:

"Hints on Life in Egypt"

"Hints of Life in Eritrea"

"Hints on Life in the Persian Gulf Area."

Two Hundred and fifty copies of each of these have
been supplied to the War Department offices which requested
them. Their purpose is to give American soldiers and
mechanics being sent to these areas certain fundamental
information of the life in these countries.

No. 238

February 10, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

There is a Dr. Andreas Constantinus Andrianopoulos (now living at the Westchester County Club, Rye, N. Y.) a Lieutenant, Medical Corps, of the Greek Army, who escaped from Greece in November.

Professor T. Leslie Shear, of our Princeton contact office, reports that Andrianopoulos told him that there exists in Greece a secret organization which is financed by wealthy Greeks, especially Papastratos, who at the present time is under surveillance in his home at Psychiko. This organization (according to Andrianopoulos) includes a body of officers and men who will be prepared to control the country in the interval between the expulsion of the enemy and the arrival of the Greek forces.

He states that the British are secretly supplying this organization with money, munitions, wireless apparatus, and operators. One of the operators, a Pole, was caught at Porto Raphti but did not betray the organization.

No. 239

February 10, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a summary of a statement made by Sir Girja Bajpai, the Indian High Commissioner, to a member of our staff on December 22, 1941.

Sir Girja defined his own position in this country. He said that he was in no sense a mere adviser on India to the British Embassy. On the contrary, his effort is quite separate from that of the Embassy and his appointment, which is directly from the Government of India, was made so that he could speak for India without the necessity of having his utterances previously approved by the Embassy. He emphasized the independence of his position and stated that he would expect to speak primarily for the interests of India, though, of course, with the exercise of normal courtesy and tact towards the British Embassy.

He indicated his idea of India's future position in the world. After the war, he thought, it would be necessary to form some kind of group of peace-loving nations to guarantee world security. Among those nations would be India, but India's position should not be that of a dependent upon the United

position she should rightfully hold in such a group of nations. Britain would, therefore, be bound in some way or other to grant India this kind of status. When asked how long it would be before the question could be raised with Britain about India's status, he replied that he did not think it necessary to wait until the end of the war. Rather he thought it probable that the whole question of India's international status would have to be dealt with before the war was concluded. He thought that some third party might be influential in helping to get some better status for India. His idea is that at some time, probably not far distant, there will be formed a supreme war council with its headquarters in Washington. This war council would consist of representatives of all the countries which are now at war with the Axis powers and Japan. Among these would be India. The question of her status would arise as soon as the council met. The incongruity of her appearance there as a dependent upon Britain, when she is so important to the war effort, would immediately be recognized, and the opportunity would then arise to take up the whole question of her position in the Empire. At this point,

it might be possible for President Roosevelt to speak off the record to Mr. Churchill. Sir Girja thought that it would then become possible to get assurances for the future of India's independence or some equivalent status.

Sir Girja spoke of a number of India's internal problems; he feels that the conflict between Hindu and Muslim can be solved, though he agrees that neither is likely to accept any ready-made scheme, however good, if proposed from outside. The representatives of the two communities need to consult with each other on a give-and-take basis. He did not think that it would be necessary or advisable to make new boundary lines of provinces in order to get more homogeneous provincial units. The one place where he thought such a new arrangement might be useful was in Bengal. He thought eastern Bengal might be separated from the rest of the province. When asked if proportional representation might provide a suitable basis for reorganization of the electoral system and legislative bodies, he did not commit himself either way. He feels that the whole internal problem of India will be solved by the maximum of devolution of political responsibility from the central government to the provinces. He thought that India's government of the future must be on a federal basis much like the federation of states in our own country. He does not approve of a

system of cabinet administration like that of the United Kingdom where the cabinet can be overthrown at any time. He prefers instead a cabinet system similar to that existing in the United States.

In speaking of the Hindu-Muslim conflict, he said that he did not think that the present Muslim agitation for Pakistan had any solid basis, even among the Muslims. Pakistan is a scheme to separate the predominantly Muslim provinces from the rest of India and make them into an independent nation. He thought that this scheme was being used by the Muslim League as a bargaining point, but that, in the final solution, the Muslims would give it up, for he was convinced that very few of them really considered the scheme sound.

He spoke about his own functions in this country and was anxious for advice as to just what they might be. He was thinking at that point not merely of his official relations with the United States Government, but rather of his relations with the United States public. He feels that he has a function of helping to acquaint the people of the United States with India, and he hopes to establish relations with universities, learned bodies, commercial organizations and other groups of people in this country who may have direct or indirect relations with India.

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He was concerned about the attitude of our government toward India and wanted to know if the President was interested in India or the Secretary of State or certain other officials of less rank.

No. 240

February 10, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is a cable just received from our London office:

"The following are the high points of Secret Service reports for the week. These are Most Secret and are designed not for propaganda but as Intelligence for highest officials.

"1. Following supplies for Libya have been demanded by Italians in agreement with Nazis according to advice of two French members of Disarmament Commission in Tunis: 155 mm guns, benzine, oil, artillery shells, gas, anti-aircraft equipment and also supplies monthly of wine, hay, olive oil, straw vegetables, wheat, oats. Some benzine has already been provided. The payment is to be in the form of delivery by Germans of equivalent quantities in occupied France.

"2. There continue to accumulate reports of grave conditions concerning German public and army morale. This is offset by a realization that German victory is the only hope of survival.

"3. As regards the Italians, there are further reports

confirming resentment against activities of Germans, including riding in expensive motor cars, while Italians are without gasoline, and lifting of art treasures. This incites the Italian police to make arrests, particularly of the intellectuals who are then without council and incommunicado.

"4. There is a continued belief that a renewal of air raids will severely shake the Italians and Germans. If continuous, especially in Berlin. This impression is confirmed in Italy by the effect of recent raids on Sicily, Brindisi and Naples.

"5. The Gestapo and SA are spying on each other, the Gestapo being everywhere in the SA and the SA men everywhere in the Gestapo. However, the SA is popular with the working classes. Particularly qualified authority is the source of this information.

"6. The only campaign capable of arousing general enthusiasm with German public would be invasion of England. They are not greatly interested in the Mediterranean or the Middle East.

"7. On the ground that the Anglo-Americans were pressing Russia to declare war on Japan the Government of Germany were hoping for a split between the two. There is anxiety in Berlin because of their willingness to permit Russia to continue to concentrate on the European war.

"8. There are continued reports of a growing shortage of doctors and essential medicine in Germany.

"9. This should not be regarded as present indication of purpose of attack, but there are continued reports through Suner and others in Spain of German measures to undermine military morale so that they would receive any eventual attack complacently."

*Sent to
Secy of War*

No. 241

February 10, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Here is a description of an overland route to Alaska proposed by Dr. Viljalmur Stefansson. It differs from other proposals in these respects:

1. It passes through oil fields and therefore is self-fueling.
2. It passes over territory favorable for construction in that it parallels rivers, railroads, and existing trails nearly all the way.
3. It should be visualized as originating in Chicago and thus connects the industrial east with Alaska.
4. It is protected by the Rockies from air attack and serious snow conditions.

Vice President Wallace is interested in this and I thought you would like to have a copy of the plan for your

No. 242

February 11, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I am attaching a copy of a letter addressed to Dr. Conyers Read (who is head of our British Empire Section) by Dr. Krishnalal Shridharani who is a member of the Indian National Congress and has been associated with Mahatma Gandhi.

I thought you might want to have this letter brought to your attention in view of the imminent fall of Singapore.

I think your mind runs to the likelihood of the easy over-running of India once the Netherlands, as a final line of resistance, would be taken, and Burma would be occupied.

Because of the danger to us of the Indian Ocean going, we are interested in the fate of India - and in what the Indians will do. It is, therefore, no longer merely a British domestic question. We have a stake in their action. It may be that you have already not only considered but discussed with Churchill what could be

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done to insure the resistance of India - not only their stepping into the breach now but, if India should be occupied, the resistance of her people in preparation for the day when our troops would regain it.

C O P Y

500 Riverside Drive
New York City
January 21, 1942

Dr. Conyers Read
Office of Coordinator of Information
Washington, D. C.

Dear Dr. Read:

What follows is the brief and unadorned memorandum on Indo-American relations in view of the present war and coming peace.

India at present is actively engaged in the war on the side of the Anglo-American powers and is thus an ally of both the United States and Great Britain. The object of the procedure suggested below, therefore, is to insure the maximum effectiveness of the Inter-Allied strategy both during the war and when the peace is made. For, although India is officially at war and is contributing substantially toward the Allied success, her heart is not in the fight.

Another object is to take out insurance that India, or certain powerful groups in India, shall not make a common cause with the Axis powers, especially with Japan. For there are groups in India so thoroughly disillusioned with respect to Great Britain's intentions that they may welcome any upheaval in the status quo while keeping their fingers crossed. Already there are reports concerning the flight to Berlin of Bose, who is the hero of the revolutionary Bengalis,

and Bengal would be the most crucial province of India in case Burma falls a prey to the Japanese. So far as Burma's discontent is concerned, the recent detention of its premier speaks quite eloquently.

India and Burma are not alone in experiencing such misgivings. All the Asiatic countries, without a single exception, are more or less distrustful of the Dutch, the French, and the British Imperialisms. And for all of them India has become the acid test of the Allied bonafides; hence, the vital importance of the solution of the Indian problem.

In fact, the Japanese grand strategy is based upon this Asiatic fact of continental proportions - resentment against Western powers. But let me amplify my statement.

The main difference between Eastern and Western nationalisms has been this: While nationalism in Europe was originally anti-feudal, that is, against the local lords, nationalism in Asia has been primarily anti-foreign-rule, that is, against the sovereigns overseas.

To start with, no doubt, these various nationalisms in Asia were disconnected and directed solely against the particular foreigner who happened to dominate a country. But invariably such a ruler happened to be a Western power,

so that gradually anti-Westernism supplied a common front for the whole of Asia.

This process came suddenly to a head in May, 1905, when banner headlines broke the news to a stunned India, and to Asia, that Admiral Togo had defeated the Imperial Russian fleet. The implications were more important than the news item. For the first time in centuries an Asiatic country had emerged victorious over a European power. "It can be done", thought the Indian in the street.

Ever since then Japan has been the Darling of Asia, including India and even China. I need not describe at length here (I have done so in "My India, My America") how Japan took advantage of her favored position in the Asiatic consciousness and deliberately plotted a Revolt of Asia against the "arrogant West".

The tables were turned when Japan invaded China. Most of the Asiatics then realized that Japan's battle cry of "Asia for the Asiatics" really meant "Asia for the Japanese".

But this obvious reaction might lull the United Nations into disastrous over-confidence, for there still remain in each Asiatic country, including India and even China, small but powerful minorities which are eager to

make a common cause with Japan in order to teach the incinerating West a lesson.

At this point I cannot do better service to the United Nations than to describe what is now going on in Asia as the Revolution that backfired, as the War that turned into a Civil War. For Asia now, on account of the Chinese Incident, is a house divided. This is the dilemma of the divided soul of Asia.

Japan's grand strategy is to strengthen the hands of these disgruntled minorities: first by making a show of its strength by driving out Anglo-American powers from the southeastern Pacific. Secondly, they would strive to make a peace with China in order to remove the only obstacle in the way of their re-selling themselves to the peoples of Asia as the leader of Asia.

Whether they succeed in this or not is beside the point. We have to take into consideration the blackest possible contingency in order to plan our strategy of war so that, if worse does not come to worst, we will be pleasantly surprised.

It is in this light that the recent maltreatment of the white population in Manila should be interpreted. To regard it as an evidence of Japanese crudity is simply naive. It was a Japanese puppet-show especially staged for the enjoyment

of the Asiatics. The Japanese were saying, as it were, "We are the only Asiatics who can slap back the arrogant Westerners who have insulted you and humiliated you for decades. Why not cooperate with us?

Then there is the propaganda now carried on by the Japanese in the Philippines, in Malaya, in Burma, in India, and even in China.

Japan's only chance of victory is thus to inspire a Revolt of Asia against the West.

America, in simple self-defense, must take up this challenge and offer battle to the Japanese not only on the military front but also on the psychological front. Only the Americans can do it, for the Dutch, the French, and the British do not hold the confidence of the Asiatic people, while the United States still retains it.

Some bold and imaginative and dramatic action should be taken to reassure the peoples of Asia. By such an action the United States would be strengthening the hands of those majorities which are pro-Anglo-American. But inaction along this line would play into the enemy's hands. In this connection, India offers the best opportunity; for India has become the symbol of the colonial problem in Asia.

In view of the immediacies of war, a final solution of

5. That during the war India shall have a National
the Indian problem must await a successful conclusion of
the conflict. And Indian leaders, I am sure, are willing
to accept this qualification. But they demand some honest
action now as a token of good intentions. Such an action
might take the following form in order to serve as a work-
able compromise between the Indian Nationalists and the
British Government.

PART A.

1. In view of Mr. Churchill's statement in the House
of Commons that the eight points of the Atlantic Charter do
not apply to India, the President of the United States must
proclaim once more the universality of their application.

2. Because even those eight points have seemed vague
and inadequate to India's leaders, the United States should
persuade Great Britain to make the following announcement,
or its equivalent, with respect to India in the common in-
terest of all the United Nations:

a. That within one year of the war's termination an
assembly of solely Indian representatives shall decide India's
international status and construct India's constitution.

(A definite date-line is of great psychological importance,
as witness the experience of the United States with the
Philippines.)

b. That during the war India shall have a National Government in the form of the Viceroy's Council, which shall be completely Indianized save for the Viceroy himself and the Commander-in-Chief. This will avoid opening the constitutional problem for the duration of the war.

c. That an Indian delegation nominated by such a National Government shall sit at the peace table and have an equal voice in the formulation of the treaty.

d. That an Indian leader nominated by such a National Government and approved by the Viceroy shall serve on the Allied war council on an equal footing with other members.

e. That even during the war, most policy-making posts including diplomatic positions abroad, shall be held by Indians nominated by the National Government and approved by the British Viceroy. It is high time that it is realized that the hand-picked yes-men of the British Government, both at home and abroad, are doing a disservice to the Allied cause by giving unreal interpretations of Indian issues. Moreover, rightly or wrongly, they are regarded as self-seeking traitors by the Indian masses whose confidence is of crucial importance. The men who can deliver the goods should be taken into confidence instead of these yes-men.

PART B.

Soon after or before such announcement, a fact-finding American organization, such as the Institute of Pacific Relations, should be encouraged to appoint a committee to study the Indian problem impartially and on the spot, and to make recommendations to the United States Government. For the sake of maximum efficiency, an Indian scholar as well as a British scholar should be included as unofficial advisers.

PART C.

Meanwhile, America should make broadcasts to India to foster mutual understanding and the feeling for the common cause, and also to break ground for the above-mentioned action. Such a broadcast plan should contemplate five or more talks each week under the general topic:

Democracy Marches On

Sub-heads:

1. The Common Front

Analysis of weekly developments from the point of view of India as seen from the American vantage point.

2. AmerIndia

American and India: cultural comparisons and contrasts; political, economic, and military relations.

3. Changed Outlooks

The growth of the idea of a world community as illustrated by recent events. Description, especially of the changed attitudes in Anglo-American countries since the war began. This will include analysis of the war-fostered social revolutions in America and England so as to assure India that this time the Anglo-American powers mean what they are saying.

4. While the War Lasts

What the democracies expect of India and the other way around in connection with the war.

5. Plans for Peace

Analysis of the various plans of post-war organizations from India's point of view. (It should be obvious by now that what I am proposing will necessitate creative writing by a gifted man who is an Indian and yet knows the Anglo-American temper at the present time.)

Why?

It is as likely as not that India will serve as the base of operations for a possible A.E.F. sent to recover the points lost in East Asia. In that case, it would be dangerous to have a disgruntled India at the back. From this point alone,

India can no longer be regarded by America as an internal problem of the British Empire. Moreover, a solution of the Indian problem will lay the foundation of a just peace in which the American people have a vital interest.

This done, not only the danger of Asia's rising in a well-timed revolt will be averted, but India's war efforts, which will jump a hundred-fold, will be assured. For only free men can win this war, and not mercenaries or vassals.

(Signed) KRISHNALAL SHRIDHARANI

February 11, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

We have just received a monthly report from our people abroad as to certain salient points in intelligence:

"1. It is believed the capacity of the aircraft industry in Germany has been extended 15%; that the limiting factor of production is skilled labor rather than raw materials. Production in Italy is not at full capacity due to shortage of raw materials, and below capacity in France due to shortage of tools and jigs.

"2. There is increased production in invasion and auxiliary craft. Submarine construction is probably at its highest level.

"3. The supply of German labor is fairly constant. In Italy reduction of workers, due to call to the colors, is offset by an increase from Balkans, Spain and Galicia.

"4. The indications of tight raw materials include:

(a) Chrome. Where it was formerly refused, inferior Greek ore is now used.

(b) Tin. Libyan iron rations are not tin-plate

but black plate.

(c) Buna is believed to be affected particularly by attack from air.

(d) Oil. Reports come from all over Europe of special increasing economies, including an order for 70,000 gas producers for Nazi army on Eastern Front, although the December withdrawal of only 250,000 tons was due to a decline in consumption by air force.

"5. There is a great increase in transport of oil to Italy by rail.

"6. Revival of Berlin Black market in dollars is quoted at 6½ times the official rate and the Swedish Crown, 16 times.

"7. In agreement recently between France and Italy the latter renounces the claim to extradition of certain weapons in consideration for which France grants French franc credit only in part of which will be repaid after the war."

...SILENCE OF NEW GERMAN ACTION, PERHAPS WITHIN THE NEXT
OR FOUR DAYS, CANNOT BE EXCLUDED IF THE KELLOGG'S CORN
FLAKE BROADCASTS OF THIS EVENING FOLLOW THE PATTERN OF RECENT
PREVIOUS AUDIENCE-PULLING STUNTS. THERE HAVE BEEN TWO SUCH
DEVICES RESORTED TO THIS YEAR, AND BOTH WERE TIMED TO ATTRACT
AUDIENCES FOR NEWS OF GERMAN DEFENSES.

ONE WAS THE GERMAN RADIO'S INVITATION TO SEND CABLEGRAMS
TO BERLIN AT THE GERMAN GOVERNMENT'S EXPENSE, WHICH COINCIDED
WITH THE INTENSIFIED SEA WARFARE OF LAST WINTER AND SPRING.
THE SECOND WAS THE SPURIOUS ANNOUNCEMENT THAT LORD HAW HAW HAD BEEN
BANNED FROM THE AIR, WHICH COINCIDED WITH THE HITLER-ANNOUNCED
DRIVE ON MOSCOW LAST OCTOBER. THE PRESUMPTION THAT A SIMILAR
PERFORMANCE IS NOW UNDER WAY WILL BE STRONGER IF THE CORN-FLAKE
OR SOME SIMILAR ANNOUNCEMENT IS REPEATED IN THIS MORNING'S BROAD-
CASTS (6:30 AM AND AFTER)

FOREIGN BROADCASTS CONTAIN NO VERY CLEAR INDICATION OF WHAT
THIS NEW GERMAN MOVE-- IF ANY -- MAY BE. LONDON, MOSCOW
AND BRAZZAVILLE DO NOT AGREE ON THE PRESENT DISPOSITION OF GERMAN
TROOPS; THEY SPEAK, RESPECTIVELY, OF SIGNIFICANT CONCENTRATIONS
IN ITALY AND GREECE, BULGARIA, AND SPAIN, AND LONDON
SPECULATES RATHER FIRMLY THAT THE MEDITERRANEAN MAY BE THE SCENE
OF INCREASED ACTION. THE NAZI RADIO YESTERDAY MORNING MAGNIFIED THE
SINKING OF THE GERMAN FREIGHTER BENNO IN SPANISH WATERS BY CALLING
IT " THE SECOND ALTMARK CASE " -- A POSSIBLE INTERPRETATION
BEING THAT THE GERMAN OCCUPATION OF SPAIN IS NOW JUSTIFIED AS A STEP
TO PROTECT THAT COUNTRY FROM ATROCIOUS BRITISH CONDUCT. THE GERMAN
REPORTING OF THE BENNO IS IDENTICAL IN TONE AND TYPE OF DETAIL TO THE
REPORTING OF THE SINKING OF THE ALTMARK IN MARCH 1940.

THE ONLY OVERT AXIS COMMENT ON THE SITUATION IS THE ITALIAN
RADIO'S DECLARATION THIS WEEK THAT A RENEWED SUBMARINE CAMPAIGN
IS BEING LAUNCHED IN THE MEDITERRANEAN. HOWEVER, PROVIDES A LOGICAL
SETTING FOR SOME SURPRISE MOVES WHICH MAY BE MADE IN THE ATLANTIC
PARTICULARLY TO THE AMERICAN PUBLIC, WHOSE EYES IT IS ATTEMPTING
TO TRAIN ON EVENTS IN THE PACIFIC RATHER THAN THE ATLANTIC OR
WESTERN EUROPE AND AFRICA. AN FCC ANALYSIS TO BE ISSUED TOMORROW
MORNING STATES THE POSSIBILITY THAT SUBMARINE CAMPAIGN IN THE
ATLANTIC AND WESTERN MEDITERRANEAN WOULD MEET THESE SPECIFICATIONS,
AND MIGHT BE ACCOMPANIED BY THE GERMAN SEIZURE OF IMPORTANT
BASES IN THESE WATERS -- THE AZORES, THE CAPE VERDE ISLANDS,
GIBRALTAR, MALTA AND DAKAR BEING ELIGIBLE.

GRAVES.

KG148A.